

The **Work** FROM **HOME** **Handbook**

Flex Your Time, Improve Your Life

by Diana Fitzpatrick & Stephen Fishman

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Can You *Really* Make It Work?

Does the prospect of working from home sound too good to be true? Well, it shouldn't. This book will show you how almost anyone can restructure or change their working life so that they can work at home, either full or part time, for an employer or as a freelancer.

This major life change may take patience, creativity, and a little sacrifice. But before long, you could be commuting from the kitchen to your home office, a cup of coffee in your hand and the sun shining through your window. We'll explain:

- what type of personality traits will help you succeed as a teleworker
- whether your current job can really be done from home, and
- how to convince your employer that teleworking is a great idea for both you and the company.

And, if you can't or don't want to stay at your current job, we'll show you how to either:

- look for a job that you can turn into a work-at-home opportunity
- strike out on your own as a home-based freelancer, or
- find an advertised work-at-home job that suits your experience and needs.

This book gives you the nuts and bolts of what it takes to make it as a teleworker. Regardless of your skills, work experience, or background, you can do it, and this book can help you. ●

Working at Home: The Win-Win Solution

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No matter how much you like your office job, getting back and forth to work each day can be sheer drudgery. And the total hours you spend at work, away from home and loved ones, probably add up to over 40 per week. If this lifestyle is wearing on you, there's a powerful alternative: working from home. Even if you stay home only one or two days a week, it can help you reclaim your life by saving you time, money, and unnecessary stress. Imagine having no train schedule to follow, no shirt to press, no rush-hour traffic to contend with. Instead, you could start your day with a trip to the gym or a leisurely cup of coffee while reading the newspaper. Then, when you were ready, you could settle down to some productive work.

Just a few short years ago, the only people able to enjoy the benefits of working from home were either self-employed or doing menial contract work—your basic envelope stuffing. Today, high-speed Internet access, wireless laptops, and BlackBerrys for remote email have made it possible for many people to work anytime and anywhere—whether from a home office in Bangor, Maine, or an airport in Bangkok, Thailand.

And the world is catching on. Leading U.S. employers are realizing that telework (also called telecommuting) offers benefits for them as well, as their teleworkers become happier and more productive employees. This book will show you how to join the tens of thousands of people who have done what it takes—negotiated with their boss, found a new job, or begun freelancing—to work at home and find balance in their lives.

How Your Company Wins

These days, employers who know they can be in instant communication with their employees through BlackBerrys, instant messaging, and wireless laptops don't worry that teleworkers will spend their days raiding the fridge or watching soap operas. They're also seeing that modern technology allows employees to be productive no matter where they are. The result is that more employers are focusing on the

work being done rather than the number of hours spent at a desk. The numbers tell the story of this trend:

- 12.4 million employees—roughly 8% of the American workforce—worked from home at least one day a month in 2006.
- Well over two-thirds of all U.S. companies offered some telework options in 2005.

Employers who've given telework a try often report that teleworkers are actually more productive than their counterparts in the office. Airplane manufacturer Boeing found that average work productivity increased between 15% and 30%, and IBM observed a 10% and 20% increase in productivity. At AT&T—a company at the forefront of the telework movement—managers who telework have consistently reported gaining one hour of productive work for every day they work from home.

Productivity increases are not the only upside for employers. Companies that offer telework save money on office space because teleworkers often share space with

other employees or give up their offices entirely. Offering telework has also become an effective tool for recruiting and retaining employees at all levels. This is particularly true as both gasoline prices and housing costs have risen, forcing employees to live far from their workplaces and making their commutes more expensive.

Another boost to teleworking came in the aftermath of the September 11th terrorist attacks and Hurricane Katrina, when companies in the affected areas scrambled to remain operational. They realized that their off-site workplaces and workers were largely responsible for keeping them functional.

America's best employers are catching on.

Seventy-nine of the firms on Fortune Magazine's 2006 list of "100 Best Companies to Work For" allow employees to work from home at least 20% of the time. The country's largest employer—the U.S. government—encourages its employees to work from home "to the maximum extent possible."

Telework is also socially responsible: Environmental concerns, particularly global warming and energy consumption, have provided another

For every 37 miles not driven, a teleworker will avoid generating one pound of air pollution. If just 10% of U.S. residents worked at home one day per week, the country would conserve a whopping 1.2 million gallons of fuel per week.

impetus to telework. Employers and employees alike have come to see telework as a way to reduce fuel consumption and other environmental impacts and also help clear up our overcrowded roads. A study commissioned by the Consumer Electronics Association found that the estimated 3.9 million full-time teleworkers in the U.S. reduced gasoline consumption by about 840 million gallons

and carbon dioxide emission by almost 14 million tons—the equivalent of taking 2 million vehicles off the road per year.



TIP

Telework can provide employment opportunities for disabled persons. In fact, if a disability prevents you from doing a job on-site, federal law may be on your side. The Americans with Disabilities Act (ADA) requires employers with 15 or more employees to provide reasonable accommodation for employees or qualified applicants with disabilities. One way employers may be able to meet this legal obligation is to offer telework. For more on using telework as a reasonable accommodation, see www.eeoc.gov/facts/telework.html.

How You and Your Family Win

It's amazing how a simple change can transform your life. By taking your work home, you can find more time to spend with your family, more flexibility to pursue your interests outside of work, and more satisfaction with your life at work. To put it simply, working from home is a win-win solution.

Do more (and better) work in less time

As we all know, it's not always easy to get work done at the office. There's rarely quiet time during regular business hours to sit and concentrate.

Office workers are regularly interrupted by ringing phones, impromptu meetings, and coworkers popping by to chitchat. This can be as frustrating for an employee as it is for the employer who is paying for this nonproductive work time.

Working at home can free you from these distractions, giving you long blocks of time to focus on your work. (Of course, your home may present its own distractions, but we'll talk later about ways to deal with those.) Ideally, your productivity will increase, as will the quality of your work product. At the same time, you'll get to enjoy the personal satisfaction of focusing on your work and getting it done.

Extreme commuting, anyone?

Because of the sky-high cost of real estate in many communities, some commuters are willing to travel more than 90 minutes each way just so they can afford a decent home. In Baltimore, for example, over 5% of workers endure "extreme" commutes of more than three hours a day.

No more commuting your life away

It's depressing but true: U.S. workers actually spend more time commuting than vacationing each year. The average employed American commutes more than 24 minutes each way, losing the better part of an hour in transit every work day. Workers in major U.S. cities often spend even more time getting to and from work. Topping the list are New York City residents, who waste an average of 76.6 minutes on their daily commutes.

Let's suppose your commute to work is half an hour door to door. Over the course of a year, that would add up to 240 hours on the road—the equivalent of six 40-hour work weeks! Those are six weeks you could have spent enjoying your backyard or training for a marathon.



RESOURCE

Commuting is bad for your social life. For every ten minutes we spend commuting, our social connections are cut by 10%. Find out more in *Bowling Alone: The Collapse and Revival of American Community*, a book by Harvard University Professor Robert Putnam.

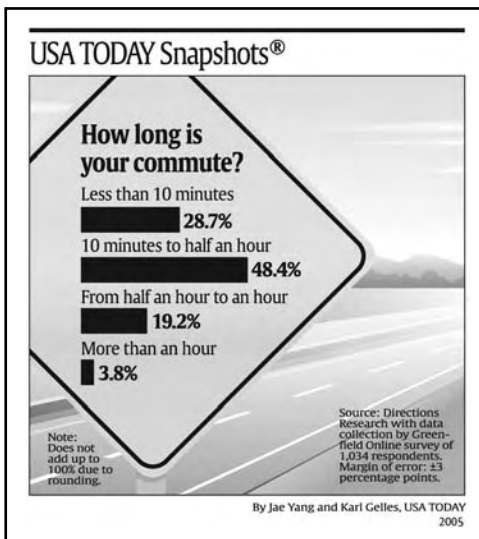
Save money. Everyone is feeling the effects of high gas prices, but few are hit as hard as commuters. For some, keeping their tank filled now costs as much as a mortgage payment. Some employers have responded with programs that promote mass transit, shuttle buses, carpools, and, in some cases, teleworking. For example, The National Recreation and Park Association, a Virginia-based nonprofit, came up with a once-a-week telework option for all of its 70 workers. Employees are also

taking action. In a recent survey of 2,000 at-home call center agents, 36% said gas prices drove their decision to work at home.

Another major commuter-related cost is housing. Housing costs have gone through the roof. Nearly half of all renters, according to the 2005 Census, are spending 30% or more of their gross income on housing. And over a third of homeowners with mortgages are spending a similar amount on their

house and related expenses. This means that a family earning \$60,000 would be spending \$18,000 or more just on rent or mortgage and tax payments.

The best jobs tend to be in or near metropolitan centers—which is also where real estate prices are highest. All too often, we're left to choose between a staggeringly high mortgage and an unbearably long commute.



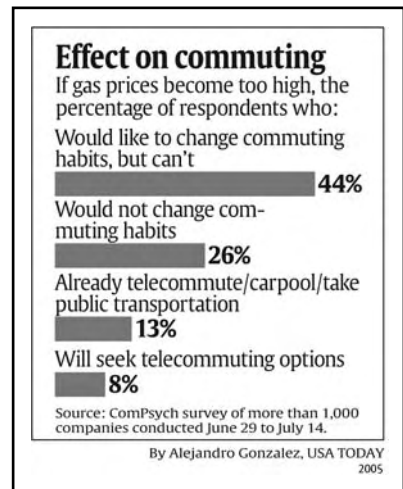


RESOURCE

Calculate the cost of your commute. To find out how much you could save by not driving to work each day, Commuter Challenge has a terrific calculator at www.commuterchallenge.org. Click the “Commuters” tab, then “Commute Cost Calculator.”

Reduce stress. Work is stressful enough. Add the challenge of a tough commute, and it’s no wonder so many people feel like they’re hanging off the edge of a cliff. Unless you’re one of the lucky few who can walk or bicycle to work, your daily commute is probably one of the most unpleasant parts of your day. If you drive, you may have to contend with rush hour traffic, the daily aggressions of other drivers, and the challenges of driving in rain, sleet, and snow. If you take mass transit, you may have the constant worry of missing your departure, the discomfort of sitting (or standing) in cramped quarters next to perfect strangers, or the hassle of switching trains or buses.

Studies show that this daily strain can pack a serious wallop to your physical and emotional health. In fact, commuters may be under more stress than riot police and combat pilots. Hewlett Packard researcher Dr. David Lewis explains that riot policemen and combat pilots “have things they can do to combat the stress that is being triggered by the event. But the commuter, particularly on a train, cannot do anything about it at all.” Sound familiar? The result can be high blood pressure and other physiological and psychological effects.



If the stress of commuting were to end when you reached your destination, then perhaps it wouldn't be so worrisome. But commuting

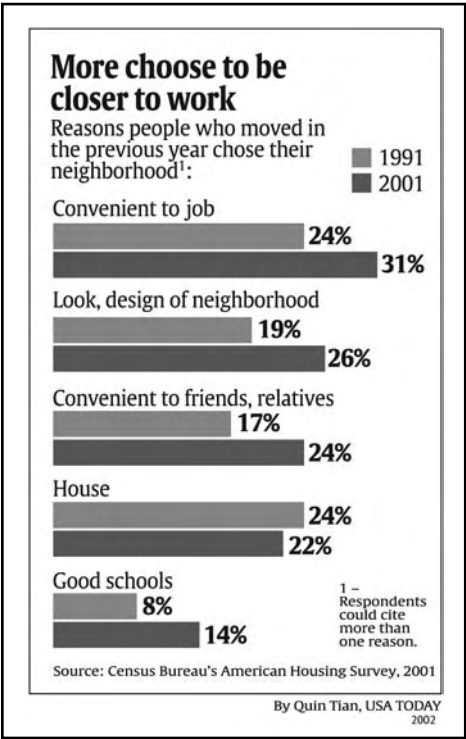
stress spills out and affects other areas of life, too. Workers with long commutes are likely to develop problems with their health, sleep patterns, and family and social relationships. These side effects are particularly hard on women, many of whom are already stressed to the max by the competing demands of work and family.

Reclaim lost time. Gaining time to do the things you love is one of the biggest advantages to working at home. Those formerly lost hours might be spent volunteering at your local soup kitchen, kicking around a football with your son, or catching up on some reading. And you also gain

those little pockets of time during the day—your former coffee breaks, lunch hour, and bored moments staring at a computer screen trying to look busy. Instead of standing around the water cooler or comparing notes on the latest TV series, you can use those free moments at home to plan your next vacation or throw in a load of laundry. Suddenly, your chores and errands can fit seamlessly into your day.

Work on your own schedule

Depending on the nature of your job, working from home might give you the flexibility to work during the hours that make the most sense for your life. If you'd like your afternoons free to spend with your children after school, you could choose to start your workday at 7 a.m.



and end it by 3 p.m. Or if you'd like to get in an early morning swim or a round of golf, you might make up the missed time by working into the early evening. Whatever your lifestyle, working at home can free you to accomplish more in your day without compromising the time you put into your work.

Find work-life balance

Balancing work with the rest of our lives can be just plain hard. Many of us feel like there simply aren't enough hours in the day. Going in to work—and being away from home for long stretches—has a great deal to do with these feelings. We spend hours on the road, have little flexibility in how and when we work, and often don't see the ones we love before dinnertime.

Commuting more stressful than in-laws?

Close to half of British commuters studied said that rush hour traffic was the single most stressful part of their lives—worse than work issues, money problems, and family conflicts.

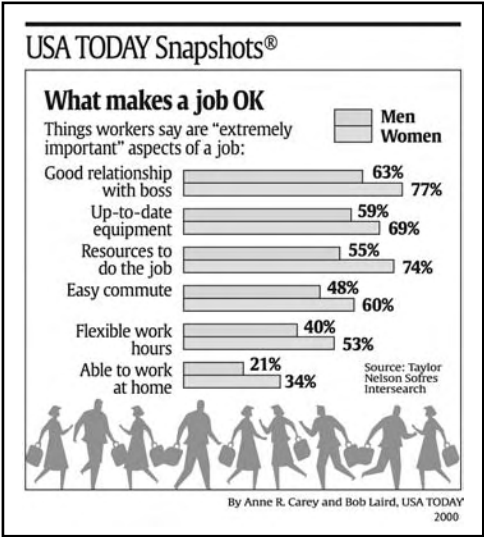
Look How Hard We're Working

For too many, the 40-hour workweek is a distant memory. On average, men now work 49 hours a week and women 43.5 hours. What's more:

- 67% of employees say they don't have enough time with their children
- 55% of employees say they don't have enough time for themselves
- 45% of employees feel pulled and stretched thin between their responsibilities at home and at work, and
- 37% of employees say it's hard to take time off during the workday when personal or families issues arise.

Source: Testimony from Ellen Galinsky, President, Families and Work Institute, to the Subcommittee on Children & Families of the U.S. Senate Health, Education, Labor & Pensions Committee in 2004 (<http://familiesandwork.org/3w/testimony.html>).

Given the many benefits of working from home, it's no wonder that teleworkers are much happier with their jobs and their lives than their counterparts at the office. An AT&T study found that almost two out of three teleworkers (63%) were more satisfied with their jobs after they started working from home, and an even higher percentage were happier with their lives outside of work. A study by IBM uncovered similar results: Teleworkers were the group who anticipated staying with the company the longest and had the highest job satisfaction. ●



Are You Ready for Life Without the Water Cooler?

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Working from home is much more than just a new way of getting your job done. It's a complete lifestyle makeover—a transformation of the way you spend your valuable hours and days. No longer will there be a strict separation between work and the rest of your life. Instead, the two will become inextricably intertwined, for better and for worse. Yes, you'll be able to take an afternoon break to walk your dog, but you might also have to field an important conference call while your dog is barking, and perhaps go back to your computer late in the evening to make up for an extra-long midday stroll.

Like any lifestyle choice, working from home isn't for everyone. This chapter will help you assess whether or not you've got the personality traits and work habits shared by the happiest and most successful teleworkers. You might conclude that you're the perfect candidate for a full-time, work-at-home career. Or, you might realize that you're not quite ready to cut your ties to the office, so that part-time telework is the way to go. You might even decide that telework simply isn't for you. But many people find that the effort is worth it. After all, there's no office on earth that can offer the freedom, flexibility, and convenience of one in your own home.

**TIP**

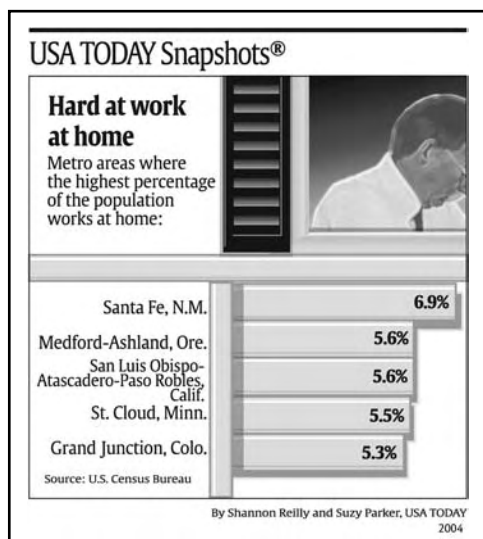
Focus on how you work best—not just the work itself. For the moment, don't worry about whether your current job is one that can be done outside an office. We'll consider your job's "teleworkability" in the next chapter.

Part- or Full-Time Telework?

If you want to reap the benefits of working from home but aren't sure you're ready to completely cut out from an office environment, part-time telework may offer the best of both worlds. Working from home just a day or two each week can give you the work-life flexibility you're

looking for and relief from the daily grind of commuting. Going into the office on the other days may be all you need to still feel connected and able to take on high-level projects and advance through the ranks. A recent national poll found that 59% of U.S. workers consider part-time telework to be the ideal work situation.

Part-time telework isn't for everyone though. It will require you to think ahead and plan your workday more carefully than if you always worked in one place. And, you'll need to be able to separate the tasks you can do at home—like sketching or number-crunching—from work that can be done only at the office. You'll also have to set aside enough work to fill up your time at home, and make sure you take all the necessary materials home with you (like electronic files or important documents). If you have trouble planning ahead, perhaps full-time telework would actually be better for you than part-time.



Will You Like Flying Solo?

By definition, working at home means working alone. You'll be far removed from the company of coworkers and colleagues and the hustle and bustle of the typical office environment. Depending on who you live with and what your work involves, you could spend your entire working day without seeing or interacting with a single person.

This kind of solitude can drive some people crazy. To help assess whether you'll truly be happy spending long stretches of the day alone, think about how much you enjoy the social side of working in an office.

Do you often have lunch with your coworkers and chat in the hallways with friends from other departments? Or do you spend most of your

Here's how Craig Wilson, writing for USA TODAY, described getting used to working at home:

Will I learn to accept this pace, to slow down enough to actually hear myself think, perhaps even ponder? I wonder. Am I going to heed the silence, embrace it, accept it? Or am I going to haul the TV up from the kitchen and have the soaps on as background noise, just as they are at the office? Stay tuned.

The phone rang. My boss, I thought, checking up on me, making sure I'm not downstairs eating Oreos, watching Oprah on company time. I picked it up. ... There was silence on the other end, then a stranger began informing me I could consolidate all my loans into one easy monthly payment.

"It's quick, it's easy!" she said.

It was my first human contact in six hours. "Tell me more," I said.

day in your own office, quietly toiling away? If you're a social butterfly, then working at home—at least full time—may not be ideal for you.

But there are ways to lessen the isolation of your home office. One increasingly popular method is to find a “third space” to work from—somewhere other than your home or an office. No doubt you've seen this burgeoning subculture at your local Starbucks, wireless café, or public library. These are the people who arrive with laptops, cell phones, and PDAs in hand, grab a table, order a latte, plug in, and work away—surrounded by the buzz and energy of a café scene without the distraction of coworkers or the loneliness of home.

Another good strategy is to make a conscious effort to stay in touch with your coworkers, by scheduling in-person meetings and picking up the phone once in a while to say hello. This is particularly important if you are home full time or most of the time. Attending company holiday

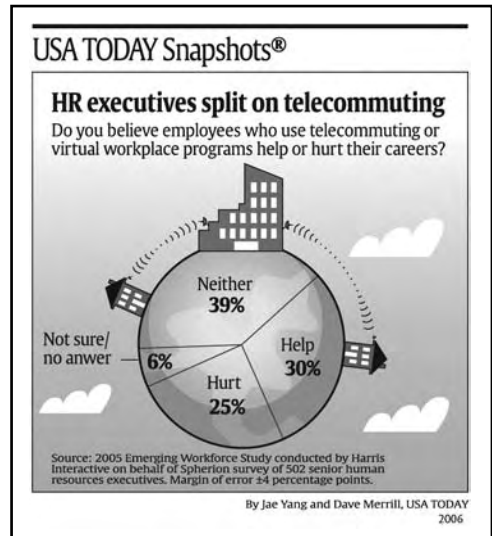
parties, participating in the firm's softball league, or showing up for an office baby shower (maybe even organizing one) will help you stay connected. You might also want to join a local professional organization to make contact with other people and stay plugged in to what's happening in your field.

Being Your Own Boss

One of the most appealing aspects of working at home is the independence it will give you. No one will be physically looking over your shoulder to make sure you get your work done. On the days you work from home, you'll essentially be your own boss, free to structure your day as you wish, within certain limits of course.

There's a flip side to this, however. Without the pressure of a supervisor's scrutiny or just the "peer pressure" of being surrounded by coworkers, you may feel less motivated to work. And how about all those distractions at home, fun and otherwise: the gourmet food magazine that just fell through your mail slot, the lawn that needs mowing, or the dishes waiting to be washed? Honestly evaluate your ability to complete assignments when no one is around. To succeed as a teleworker, you have to be diligent even when no one is looking.

Now consider your time management skills. You'll need to be disciplined about prioritizing your tasks and meeting deadlines. Completing your assignments on time will be the easiest way to convince your boss that you're still putting in a full day's work when you're not there in person. If you don't have a good sense of how long it takes to get your job done, you could end up spending too much time on personal tasks and not enough time on your work.



Good time management skills will also help you avoid ending up on the other end of the spectrum and becoming a “teleworkaholic.” Unlike a regular job, where you pack up and go home at the end of the day, you never really get away from the office when you work at home. Depending on your personality, this might translate into working all the time—a serious invasion of your life that not every prospective teleworker considers. You’ll need to be able to set a schedule for yourself and stick to it, so that you work when you’re supposed to work and then you stop.

**TIP**

The power of a shower. Instead of puttering around in your bathrobe all day long, many teleworkers find they’re more self-disciplined if they begin each day the same way they would if working at an office: by getting up at the same time, taking a shower, getting dressed, and having a bite to eat before starting work. Following a regular routine will signal to your mind that the working day has begun and it’s time to be productive.

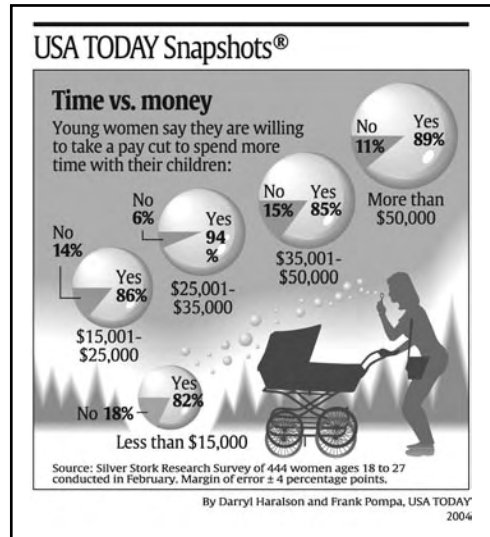
Stepping Off the Fast Track

Some of the most exciting or high-profile parts of people’s jobs simply can’t be done from home. The biggest promotions and laurels usually go to the lawyer who actually argues at the trial, the salesperson who meets with a client to sign the deal, or the manager who announces at the company meeting that your department met its goals. Never mind that you were toiling away on the background work. When you choose to work at home—particularly on a full-time basis—you may have to take a step back professionally and occasionally feel forgotten or left out of the limelight.

Think about what you can do to keep your career and professional development on track. Go out of your way to stay in touch with your colleagues; seek out training opportunities; try to anticipate new

projects and professional opportunities. If you're part-time, this should be easier to do. Keep on top of what's going on at the office and remain as visible as possible.

Only you can decide whether any needed professional sacrifices are worth it. Take a long, hard look at your personal and professional goals. For many people, the personal benefits of working at home—like spending more time with children or eliminating a brutal commute—far outweigh any potential career downsides.



Savvy Employers Provide Telework Training

Recognizing the major ways that telework changes how their employees live and work, several companies have established training programs to help with the transition.

Sun Microsystems offers courses on staying connected to colleagues, personal organization, and managing workers from a distance. At Procter & Gamble, entire teams get trained on how group dynamics and communications will change when some team members begin working from home. And Merrill Lynch has gone so far as to set up a telework simulation lab where employees can see what it's really like to work from home.

Your employer probably isn't this far ahead of the curve, or you wouldn't be reading this book. Just take this as a sign that the leap to telework isn't always effortless or seamless. Be patient, expect kinks in the system, and keep reading and learning!



RESOURCE

Telework training courses. If you'd like to learn more about how to telework successfully, the federal government offers a free online course entitled "Telework 101 for Employees." Just go to www.telework.gov and click "Training Courses." Or, WFC Resources offers a more comprehensive online training course called "Managing Telecommuting Successfully: A Guide for Employees," which you can purchase at <http://telecom.workfamily.com>.

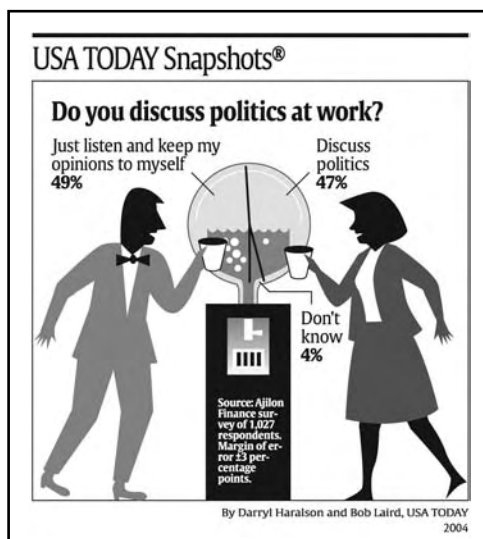
Where Will the Desk Go?

If you were envisioning yourself working at your kitchen table or typing away on a laptop on your living room couch or lying in bed, you might want to think again. One key to work-at-home success is to have a

separate place designated as your work area. It doesn't need to be an entire room, but make sure you can establish some area in your house or apartment that's for work and nothing but work.

There are several reasons why you'll need a separate work space. First, you'll want to keep all your work supplies and equipment in one location. You're not going to feel productive if you spend your day running to different areas of your home to send a fax, make a phone call, staple a report, or

type an email. A properly set up home office should function just like your desk or cubicle at work, where everything important is within arm's reach.



A home office also serves to keep you away from the many distractions of home—like your fridge and undone chores. Once you make a habit of working only in your home office, a little switch will click in your mind every time you enter it. You'll automatically focus on your job at hand, and not on the laundry that's begging to be folded, the dinner that's waiting to be cooked, or the many other things you could be doing. Family members are also more likely to respect the barrier of your home office (whether visible or invisible) and let you work.

"If you have a separate area, it's like you step through a barrier. ...[T]hen the tendency is no distractions. You have things to do and (you think) 'Let's get it done.'"

—DANIEL B., a teleworking computational scientist for Sandia National Laboratories

Finally, having a separate home office allows you to “shut the door” on your job at the end of the day. People who work at an office eventually get to leave it behind, with no worries that their desk will follow them home. That's not how it is with telework—your work literally lives with you. The only way to create the space you need between your working life and the rest of your life is to physically separate the two.

Getting Out of the House

Working from home doesn't always have to mean working at home. Sometimes you just need to get out. If you don't have enough space in your home, can't escape the distractions there, or simply need a change of scenery, look around for another place nearby where you can get some work done.

Some cities have telework centers that offer all of the trappings of an office environment for a nominal fee. In the Washington, DC, area, the U.S. General Services Administration has established fourteen telework centers that are available to anyone. These centers offer all the latest technology and on-site support for a daily rate of \$25 (in most cases). Other options include your local library or a nearby WiFi hotspot (a café or other place that offers free wireless Internet access). Some cities

offer free WiFi networks that make the Internet available anywhere in the city if you’ve got a laptop with wireless capability. Denver, Miami Beach, Tucson, Spokane, and Portland, Oregon, are among the places that have implemented or are considering such projects.

Locations Americans Reported Working From	
Location	Number of people (in one month)
Customer or client’s place of business	24.6 million
In the car	24 million
Café or restaurant	20.2 million
Hotel or motel	17.8 million
Park or other outdoor location	11.5 million
Airplane, train, or subway	10.6 million
Airport, train depot, or subway platform	9.1 million

Source: WorldatWork 2006 Telework TrendlinesTM, commissioned from The Dieringer Research Group.

Who Will Mind the Kids?

For many people, spending more time with children is why they want to telework in the first place. If you’ve got kids, working from home can give you the flexibility you need to pick them up after school, attend their midday talent assemblies, and more.

But trying to work at home and parent at the same time is a recipe for disaster. It will leave you doing two jobs poorly instead of one job well. This is particularly true if you’ve got toddlers or young children who need your constant attention. Before embarking on a tele-career, make sure you’ve figured out your childcare needs. You don’t want to find yourself on a conference call with a phone on your ear and a crying child on your knee.

This is not to say that you have to send your kids to day care outside your home. Plenty of teleworking parents hire nannies to work in their

houses. The key, of course, is to set clear boundaries so you're disturbed only in urgent situations or at prearranged times, like lunch.

Coffee Shop Meets Office Space at Coworking Sites

Depending on where you live, your workspace options may be more varied than you think. Independent workers in cities like Berkeley, San Francisco, Brooklyn, and Philadelphia have set up so-called “coworking” spaces. For example, Citizen Space in San Francisco (<http://citizenspace.us>) says it tries to combine “the best elements of a coffee shop (social, energetic, creative) and the best elements of a workspace (productive, functional),” where you can either spend the day for free or rent a desk for an affordable price (\$350 per month when this book went to print). Coworkers describe sharing ideas, office equipment, coffee and popcorn, and more.

If your house is too noisy, the local café is too crowded, and renting solo office space would be too expensive or lonely, finding—or starting—a local coworking space might be for you. To see whether there's one in your area, go to <http://wiki.coworking.info>.



CAUTION

Naptime is no time for telework. Don't kid yourself into thinking that you can squeeze your work into the precious few hours when your child is sleeping. You'll need that time to do the laundry, pay the bills, make a few phone calls, or simply recharge your batteries.



RESOURCE

For help on choosing child care. If you're new to the world of child care and need some help sorting through your options, you'll find a wealth of advice in *Parent Savvy: Straight Answers to Your Family's Financial, Legal & Practical Questions*, by Nihara Choudhri (Nolo). The book discusses the pros and cons of the different types of child care and provides tips on selecting a quality child care provider. ●

Can You Do Your Job at Home?

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If you've decided that telework is for you, congratulations! You've taken an important first step toward changing your life. Now it's time to think about the other side of the equation: whether the various tasks that make up your job will lend themselves to being done from home.

Believe it or not, most people can handle at least some portion of their job responsibilities from home. Obviously, a surgeon can't take out someone's appendix in her living room, but she can write reports and read medical journals there. And a contractor can't renovate a kitchen without leaving his, but he can prepare bids, send out bills, and field client phone calls on the days he works from home. Let's take a look at your current job or profession and figure out how to create your own work-at-home opportunity.

If you conclude that your job simply isn't suited for telework, you still have options. It may mean that you have to switch jobs or career paths in order to telework. Don't worry—you wouldn't be the first person to decide that getting rid of a draining commute is worth a job change. If that's the case, the last part of this chapter will help you brainstorm ideas for transforming your professional life.

Desk Jobs Work Best

The easiest work to do remotely is desk work that doesn't require high-tech equipment or face-to-face interaction with other people, such as:

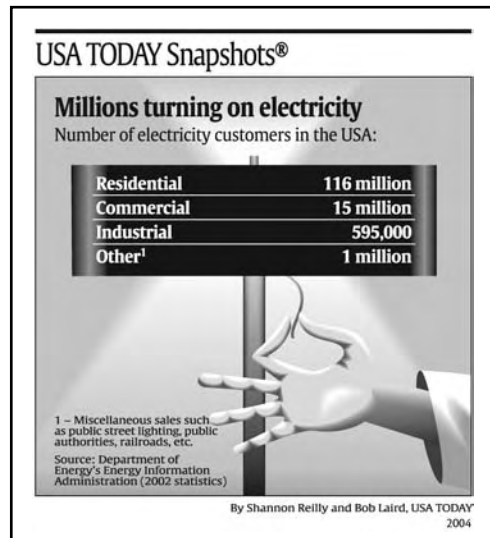
- reading, writing, or editing
- research, review, or analysis
- auditing or number crunching
- programming
- sales
- sketching or drawing
- data entry or word processing

- scheduling or planning, and
- communicating via phone, fax, or email.

You can handle tasks like these with nothing more than a good computer, high-speed Internet access, and a reliable phone connection—all staples of the average home office. For example, let's suppose you normally spend your days at the office preparing reports and speaking to company representatives over the phone. There's no reason why you can't prepare those same reports on your laptop or home computer, and speak to those same company representatives from a telephone in your home office.

Even some jobs that you might think would be impossible to do from home—like managing a restaurant or extracting teeth—have desk-based aspects, like balancing books or sending out claim forms to dental insurance companies. Real estate brokers, who spend a good portion of their time shuttling around town and showing homes to potential buyers, also do desk-based work like researching and pricing properties, handling transaction-related paperwork, and speaking on the phone to clients and other brokers.

Now think about whether you can set aside an entire day or more each week to do only the desk-based parts of your job. Can you separate your week into desk days and days you may have to do other types of activities, like meeting with clients or conducting site visits? If so, you've got the makings of a teleworkable job.



Teleworkers Who've Made the News

USA TODAY Reporter Stephanie Armour found the following examples of teleworkers from around the globe:

Pat Stiley is a workers' compensation and criminal defense lawyer whose practice is based in Spokane, Washington—but he lives in Belize. He uses the Internet to do legal research and also relies on cybercafés and email. Clients have met with him over the phone.

"Except when I'm interrupted by hurricanes, I'm usually online at least once a day," Stiley says.

Sid Heaton, 33, of Nevada City, California, worked as a technical writer for a California software firm while telecommuting from Europe. There, he and his wife, Kristanne, spent a year touring castles in Prague, Czech Republic, visiting pubs in Edinburgh, Scotland, and hanging out in other tourist haunts. Heaton worked using a laptop and Internet cafés. "With telecommuting, it's less about working eight hours a day but more about delivering the product," says Heaton.

Lisa Berman worked from a flat in London even though her job as a marketing and communications manager with Coopers & Lybrand was based in New York. She made the move overseas after her husband was transferred to England.

"My boss wanted to find a way for me to keep my job by bringing my computer to London with me," Berman, 36, says. "It can be challenging because of the time differences, but it worked."



"More telecommuters take work wherever they want," by Stephanie Armour, December 15, 2000.

Can You Be a Team Player From Home?

Every job involves working with other people on some level or another. Even if you work independently, you probably spend some of your time exchanging ideas with colleagues, reviewing work in progress, or checking in with your supervisor or the people you're supervising.

The more your work depends on day-to-day coordination and collaboration with others, the more challenging it will be for you to work from home. You don't want your coworkers to feel that you're slowing down the pace of a project or not pulling your weight if you're not there in person. And you want to make sure you don't start to feel isolated and marginalized because you're not at the office in the middle of all the action.

Instead of trying to eliminate the team portions of your job, think of ways you can integrate them into your telework plans. One of the more obvious methods is to work from home

for only part of each week. But if you're trying to make telework into your daily routine, you may need to get more creative. For example, could some of those informal chats be formalized as regular telephone or videoconference meetings? Could you remain flexible, and come in to the office if you're given a certain amount of notice, or during deadline crunch times? Even a regular lunch meeting with key members of your team might be a good way of staying connected.



What If You're the Boss?

Don't assume telecommuting is only for your underlings. Though you'll probably lose your corner office, a USA TODAY report found that:

As telecommuting grows in popularity, more executives are turning down the corner office and instead are working from home.

These executives are managing entire departments from home offices. Employers are offering telecommuting as a way to recruit top executives reluctant to relocate, and research shows more of these high-ranking professionals want the same work-at-home benefit enjoyed by their employees.

The downside? Telecommuting executives have to learn to manage from afar, and many leadership jobs require the type of regular, face-to-face contact that simply can't be found via long-distance.



"More bosses getting into the telecommuting biz; Many see it as big perk; firms use it to recruit," by Stephanie Armour, November 3, 2004.

Can Your Job Be Neatly Scheduled?

Predictability is another plus when it comes to making your job teleworkable. Jobs where you don't know what you'll be working on from day to day—or even moment to moment—are difficult to do from any location. But they're worse if you're at home and discover you don't have the documents you need to answer a question or an important client shows up at the office to see you and you're not there.

Give some thought to your day-to-day job responsibilities. Do you usually know ahead of time what you'll be working on the following day? Can you get access to key documents through your company's computer server (or some other way)? Do you have the kind of job

where you must be ready for anything—even international travel—at a moment's notice? Do you work in a service industry, like law or medicine, which often requires an immediate response to client demands or patient emergencies?

Does Your Job Require Personal or Client Contact?

You can't fax a haircut or email an acupuncture treatment. Some jobs simply require face-to-face interaction. Think about the way you spend your days at work. How often do you meet in person with clients or colleagues? Could you handle some of these meetings by phone or email? Is it possible for you to restrict your meetings to certain days of the week, so that you could work from home on the other days? The more you can contain the in-person requirements of your job, the easier it will be for you to work from home.

You'll also need to think about the time sensitivity of your work and whether it lends itself to scheduling. For example, if you're a food critic for a newspaper, you could schedule your visits to restaurants on the days and at the times most convenient for you. But if you're a crime reporter for the same newspaper, you might need to be available at a moment's notice to rush to the scene of a crime and interview witnesses.



What Equipment Will You Need?

Portability is the key to taking your work home. But until you ask, you may not even know what technological possibilities exist to help you. For example, some offices allow teleworkers to basically tap into the computers on their office desks, giving them full access to the same software, files, company email system, network, and more.

Think about what you need to get your job done—in terms of technology or machinery—and look into whether you can feasibly set it up in your house. For example, an air traffic controller can't set up a home control room, but some radio hosts set up special ISDN sound studios in their homes, allowing them to broadcast to listeners who remain none the wiser.

At a minimum, you'll likely need a home computer, perhaps with special software for backing up files and other tasks; a printer, scanner,

and fax machine; a dedicated telephone line; and high-speed Internet access. Do some research into costs—it's an important concern, because you're the one who'll most likely be footing the bills. You could also check whether there's any unused equipment or furniture lying around your workplace that you could borrow while trying out your telework arrangement.

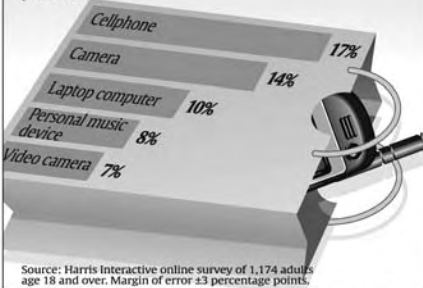
Well over 200 U.S. airports offer WiFi access.

For a city-by-city guide to where you'll find it and how much it'll cost you, go to www.travelpost.com/airport-wireless-internet.aspx.

USA TODAY Snapshots®

Top tech items

Nearly half of respondents say they are likely to buy technology products within the next six months for when they are on the go. Top technology items to be purchased:



By Jae Yang and Marcy E. Mullins, USA TODAY
2006

**CAUTION**

Second-rate equipment could hurt you. Although you'll want to economize on equipment, that doesn't mean compromising on your health. Clunky old keyboards and laptops were phased out for a reason: They can cause repetitive strain injuries faster than you'd expect, leading you to miss months or years of work and income (and destroying your ability to do many of your favorite hobbies). Also, your employer will want to know you're taking the same health-related measures at home that it implements for on-site employees. Invest in your future by buying an adjustable furniture workstation with an ergonomic keyboard and desk setup. See www.safecomputingtips.com for suggestions.

Does Business Travel Already Take You Away From the Office?

If you travel a great deal for your job, you may be the ideal candidate for telework. You're probably already accustomed to doing your work remotely in hotel rooms, airport lounges, and conference centers. Working in a home office would be an almost effortless transition.

Then again, if you're already away from the office a lot, you might need to put in at least a little face time, if only to remind everyone how hard you're working. And you may have to go to your workplace to handle certain tasks, like updating your supervisor on the status of your various projects, or submitting your time records for the week. Only you can decide where the balance needs to be struck.



Teleworkability Checklist

Review your job's amenability to telework using the following list. If you can answer "yes" to all of the questions, you're well positioned to make a smooth transition to telework. If some of your answers are "no," consider whether it's something you can change or whether teleworking part time would take care of the issue.

- Does your job involve desk-based work, like entering data on a computer, reviewing financial documents, or sketching architectural plans?
- Could you spend an entire day doing only desk-based work?
- Do you work independently on most of your assignments or, if you're part of a team, work independently on your part of a project?
- Can you plan your work ahead of time, knowing in advance what the working day will bring?
- If you have to meet face-to-face with other people to get your job done, could you limit these meetings to certain days of the week?
- Can you equip your home office with all of the technology and other materials you need to get your job done?
- Do you already work offsite for business reasons like travel or client site visits; and if so, will you be able to further reduce the amount of time you spend at the office?

If Your Current Job Isn't Teleworkable

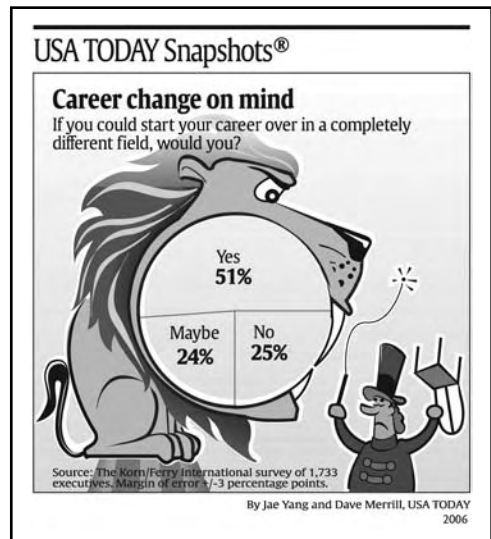
Technology and planning can make parts of almost any job teleworkable, but they have their limits. Some jobs—airline pilot, forklift operator, or foreign service officer—just can't be done at home. If your current job is like that, you've got a choice to make. You can either give up on your dreams of working from home, or you can make a dramatic change.

If you're committed to the idea of telework, rest assured that you will be able to find a way to earn a living without leaving home—regardless of your background, skills, or education. We can't promise you that the quest for a new work-at-home job or career will be easy. Nor can we say with certainty that you'll earn the same amount of money as you do now, or enjoy the same benefits, prestige, or upward mobility. What we can tell you is that there's a teleworkable career path for almost everyone.

Imagine your ideal work-at-home job

One of the best things about making big changes in your life is that you get to start from scratch, and reimagine the way you work and live. So for a moment, forget about what you do for a living or the kind of work you've been trained in, and ask yourself:

- How much money would you like to earn? What's the bare minimum you need to be happy and live comfortably?
- Do you want to earn a fixed salary? Or are you willing to accept the risks (and rewards) of working for yourself?
- Must your job offer benefits—like health insurance and a retirement account? Or do you have a spouse whose job provides these benefits for your family?
- How many days a week would you like to work from home? Is it important to you that you work from home full time?
- How many hours are you willing to work each day and each week? Would you mind working on evenings or weekends?



- Do you want to work a fixed schedule? Or are you willing to be flexible about the hours you work each week?
- Would you be willing to take a step down professionally or accept a slower promotion track in exchange for the opportunity to work from home?

The answers to these questions will help you determine which work-at-home career path is right for you.

Explore your options

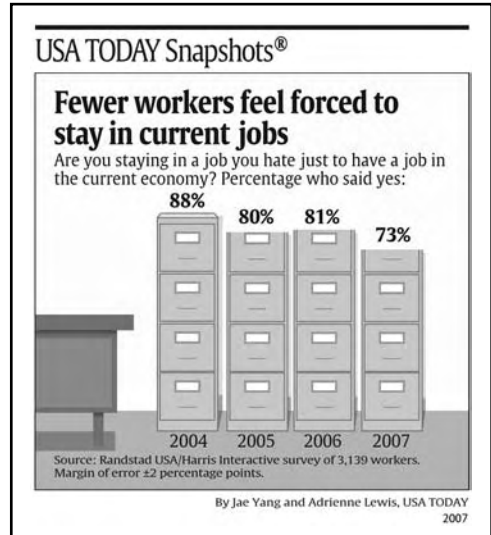
If your current job or career isn't compatible with telework, you'll have to be more inventive. Fortunately, there are several different paths you can take to achieve a new work-at-home career.

Tweak your current job. Could you work from home if you reconfigured your current job responsibilities? If you're an architect, programmer, researcher, or lawyer, for example, your employer might be happy to carve out responsibilities you can do from home, such as drafting or legal research.

Find a telework-friendly job. The key is to figure out what you like most about the work you do now and use that as a springboard to a new job. If, for example, you are a high school math teacher, maybe you could telecommute to a job in the test-preparation industry. Or suppose you now work as a caterer for weddings and other big bashes—perhaps you could use your culinary know-how to work at home as a cookbook editor or a recipe reviewer. To learn more about snagging a job that will let you work from home, turn to Chapter 5.

Switch to freelancing. You may be able to use the skills and experience you already have to become a home-based freelancer. For example, if you teach writing and enjoy working one-on-one with students, you might want to offer a home-based tutoring service. Working for yourself can be incredibly liberating. You can set your own hours, decide which projects to accept or decline, and work as much or as little as you please. In exchange, you give up the comfort of a fixed salary and benefits such as vacation pay, sick leave, and health insurance. Learn more about life as a freelancer in Chapter 6.

Start your own business. If you've always dreamed of starting your own Internet company or selling your handmade jewelry, now is your chance! You'll get to wear a variety of hats, from marketing specialist to bookkeeper to customer service professional. And you may, like many entrepreneurs, enjoy the excitement of building something from the ground up—especially if it lets you earn a comfortable living when the business begins to thrive. But starting a business involves a great deal of work and risk for not very much pay, especially at the outset. Not everyone can stomach the financial ups and downs of the business-owner's life. To learn more, turn to resources like *Legal Guide to Starting and Running Your Own Business*, by Fred Steingold (Nolo), and *Wow! I'm in Business*, by Rich Stim and Lisa Guerin (Nolo).



RESOURCE

For guidance on the best job options for you: Pick up a copy of the classic resource, *What Color Is Your Parachute: A Practical Manual for Job-Hunters and Career-Changers*, by Richard N. Bolles (Ten Speed Press). Another good choice is *The Pathfinder: How to Choose or Change Your Career for a Lifetime of Satisfaction and Success*, by Nicholas Lore (Fireside). ●

Making Your Case

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Whether you're hoping to stay with your current employer or start fresh with a new one, getting approval to work from home will require more than saying, "How about it?" Asking to work from home is a major step that could affect your future with the company. Treat your proposal to telework just as you would a major client presentation or critical work assignment.

Many employers still believe that they're granting teleworkers a big favor. Your employer might, for example, worry that you won't be as efficient or productive, that you'll be harder to supervise, or that your absence will hurt team-building and morale. It's up to you to do your homework and be ready to address these issues head on.

You'll need to prove that you're a good candidate for telework by providing solid business reasons for working at home, rather than making a personal plea. If you tell your employer that you'd like to work at home because you don't want to miss a moment of your new baby's development, or because you'd rather be at the gym than fighting rush hour traffic, your work-from-home proposal might not even get off the ground.

This chapter will show you how to show your employer the business benefits of your proposal, set up a work schedule and communication plan, and put it all together into a formal telework proposal. Then we'll give you tips on conducting a face-to-face meeting with your manager where you'll explain the plan you've worked out and present your written proposal for follow-up review.

Is Your Office Ready for Teleworkers?

Company cultures and work philosophies vary tremendously, even within the same industry. Before you approach an employer about working from home, let's see how the employer scores on the telework-o-meter. That's an imaginary scale of how receptive your employer is, or will be, to alternate work arrangements.

Look around your workplace for any hopeful signs. Do you know other employees who work from home, either full-time or part-time? Are there any who work off-site frequently, perhaps from a client's

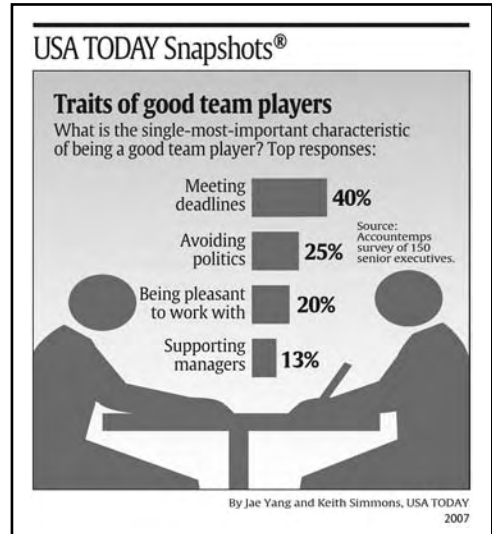
headquarters or while traveling out of state? Even if no one is actually working from home, any signs of flexibility by your employer are good.

Now think about your employer's overall attitude about work-life issues. Do you ever take time off from work to attend a child's baseball game or a midday dentist appointment? How challenging is it to schedule vacations? An employer who recognizes that you have a life outside the office will probably be easier to approach about telework.

Finally, learn as much as you can about your employer's connectivity technology. Is there a system in place for accessing the company's server from off-site? How do employees stay in touch and get their work done if they travel on business? Does your company offer a laptop, Black-

Berry, pager, or cell phone to employees who frequently work away from the office? The more connectivity technology your employer has in place, the stronger your argument will be that you can do your job from home.

Even if your company has never permitted anyone to work from home, don't fret. A careful, well thought-out proposal for working at home might convince even the most skeptical boss to give telework a try.



CAUTION

Don't tip your hand. Be as discreet as possible when investigating your company's telework-friendliness. You want your manager to find out about your interest in working from home through your formal presentation, not the office rumor mill.

Transform Your Personal Reasons Into Business Reasons

The moment you approach your manager about working from home, he or she will probably ask “Why?” If you don’t have a solid, work-related answer, the conversation might stumble before it’s started. Sound tricky? Don’t worry. Teleworking really is a win-win proposition. Every benefit you get from it can also be a boon to your employer. You just need to explain how.

Personal reason #1:

Spending more time with family

You might wish to telework so you’ll have more time for kindergarten pickup, carpooling your older children to soccer games, or taking care of your elderly mother. Don’t expect your employer to feel moved by your family needs. Instead, explain why being at home during the day will enable you to be a better employee. For example:

- I sometimes miss entire days of work because I have to go to pediatrician appointments or parent-teacher conferences, or cover for my nanny when she’s sick. If I work from home, I could fit these appointments into my regular workday and I’d already have everything I need to work at home so I’d be able to clock a full day when these kinds of issues arise.
- My workday is occasionally interrupted by family-related issues, like a call from my child care provider or a homework question from my son. If I work from home, I’ll be able to handle these matters more quickly. Also, if I need to make up for any time I spend on family matters during the day, it will be easier for me to adjust the length of my working day—for example, I could work after the kids go to bed or early in the morning before anyone wakes up.
- I have no flexibility to work late because I have to run home to pick up my children. If I teleworked, I could get them to their after-school activities, and then go home and get more work done.

Choose your words carefully, though. You don't want to inadvertently highlight problems with your current work performance.

Personal reason #2:

Cutting back on a long commute

If you live far from the office, you're probably tired of wasting hours trekking back and forth to work each day. Complaints of commuting-related exhaustion probably won't impress your employer. But here are some more compelling arguments:

- I spend over an hour commuting each way, which amounts to more than ten wasted hours each week. And it was more during that last transit strike! If I worked from home, I'd have more energy at the start of the workday and more flexibility to put in extra hours when needed.

- Sometimes I have trouble making it into the office on time, no matter how early I leave home, because of snow, other weather issues, or unavoidable traffic delays. Arriving late makes it more difficult for me to get in touch with my overseas distributors. If I worked from home, I would always be able to start work promptly at 9 a.m. or earlier, regardless of the road conditions.

A satisfied employer talks to USA TODAY: Robert Smith, who owns Robert Smith & Associates PR in Rockton, Illinois, has let most of his 15 employees work from home.

They not only save on gas, he told reporter Stephanie Armour, but he believes he gains more productivity because they're not spending time commuting.

"Before, they were driving to and from, and gas was adding up," Smith says. "I know they're saving, and as a business owner, you have to be able to trust people. If they don't do the work, you're like Donald Trump—they're fired."

- I work long hours at the office and then I spend an hour each day trekking back and forth to work. The combination of the workload and the commute are taking their toll on my productivity. I believe I could be a more efficient, effective employee if I could use the time I now spend commuting to rest and recharge my batteries.
- Much of my work is for clients who travel long distances to our office, yet they are located close to my home. I could increase their satisfaction with our services by scheduling meetings at their offices instead.

Personal reason #3:

Enjoying flexibility during the working day

Perhaps you're looking for freedom from the rigid structure of the office day so that you can choose when you work and when you play. Show how your flexibility can benefit your employer:

- My most productive hours tend to be early in the morning. When I sit in front of my computer at the crack of dawn, I think more clearly and get my projects done more quickly. It's not practical to arrive at the office at 5 a.m., but I could begin work that early if we arranged for me to work from home.
- Working from home would let me turn around my assignments without the boundaries of a normal workday. For example, if you

Colds cause U.S. workers to miss 20 million workdays a year, and the flu accounts for 70 million missed workdays.

— THE NATIONAL CENTER FOR HEALTH STATISTICS

56% of employers believe that their workplace has a problem with people showing up for work even when they're sick.

— 16TH ANNUAL CCH & HARRIS INTERACTIVE SURVEY, 2006

got an urgent client request late in the day on Wednesday, I could begin work on that project immediately instead of having to leave to catch my train home.

Don't go overboard and make unrealistic commitments about your flexibility and availability. You wouldn't, for example, want to promise to spend all

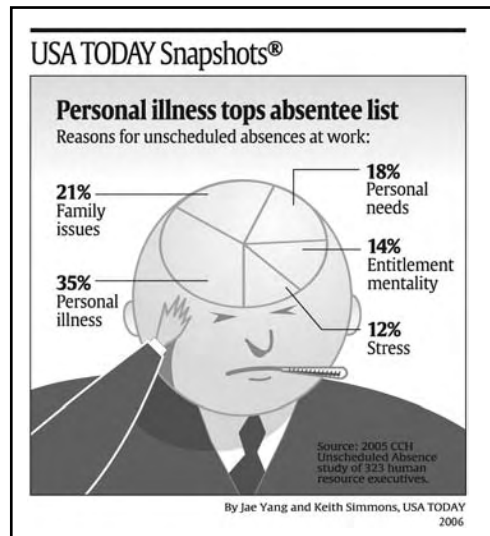
your former commuting hours at home working. Otherwise, you'll no doubt be resentful later, and find it hard to live up to your end of the bargain. But if you really will be saving vast amounts of time, there's no harm in offering to occasionally put that time toward extra work.

Personal reason #4:

Getting away from the office

Maybe you want to work from home to escape the politics, workplace gossip, endless meetings, and even germs. But it's not enough that you're tired of the view from your cubicle, or bored to tears by the water cooler chitchat. Here are some other ways to make your case:

- I know I could be more productive if I had at least a day or two of quiet, uninterrupted time each week. This would allow me to concentrate on writing new software without phones ringing and coworkers dropping by to ask me questions. The best place for me to work free of distractions would be my home office.
- I have asthma and sometimes I have more difficulty with my condition at the office because of the poorer air quality in the city where we are located. When my asthma acts up, I'm not as productive and I feel like I bother my coworkers. If I was working at my home in the suburbs, I'd be less exposed to pollution and other environmental irritants that can trigger my asthma symptoms.



Personal reason #5:

Saving money

You may be interested in working from home to save on commuting costs, or to take advantage of lower-priced real estate markets outside of a comfortable commuting distance from your workplace. Instead of emphasizing the financial benefits to you, explain that you want to stay at your current job but are under financial pressure because of commuting or housing costs.

- I love my job here, but I need to buy a new home to fit my growing family. We can't find anything in our price range nearby. What I'd like to do is move to a more distant community with more reasonably priced homes and continue working for this company. Because of the commute, that would only be feasible if I could telework at least part time.
- This company is a great place to work, but I've just discovered that one of our competitors is hiring—and their office is about an hour nearer to my home. My family is telling me to at least

interview there. I'm thinking the best all-around solution would be to continue here, with a switch in location, so that I'm working from home.

The key to this line of reasoning is to keep it positive. Openly threatening to leave the company is a terrible strategy. You'll fare better if your employer feels that you are

a team player who is committed to the company, and is taking steps to continue working there despite outside pressures.

The telework option built loyalty at AT&T: The company studied the issue and found that two-thirds of its workers who'd been offered jobs by competitors chose to stay with AT&T, naming telework as a major factor in their decision.

Line Up the Facts That Support Teleworking

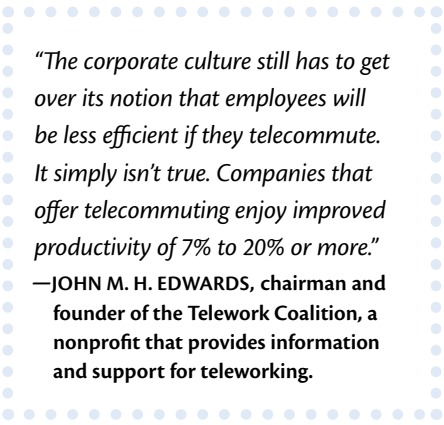
For a slam-dunk proposal, don't give just your own reasons why working at home would be good for your employer. Also present facts, figures, and case studies or articles showing that it makes good business sense to let you work from home.

Arm yourself with statistics

There's much to be said for the power of numbers. And there are plenty of credible studies out there showing that telework leads to:

- increased productivity
- reduced absenteeism
- increased morale and employee satisfaction, and
- reduced turnover and retention costs.

It won't be difficult to find such information. We've highlighted some sources throughout this book. But you should go beyond this generic information and do your own research, tailored to your specific industry, job description, or economic concerns. For example, if your company has recently lost some of its most talented employees, look for the latest studies showing that telework programs lead to reduced employee turnover.



"The corporate culture still has to get over its notion that employees will be less efficient if they telecommute. It simply isn't true. Companies that offer telecommuting enjoy improved productivity of 7% to 20% or more."

—JOHN M. H. EDWARDS, chairman and founder of the Telework Coalition, a nonprofit that provides information and support for teleworking.

Check out the competition

One of the best ways to persuade your employer to let you work from home is to show that your company's direct competitors already have telework programs in place. Employers know that they must offer competitive pay and benefits, or risk losing their best workers. The freedom to work from home part of the time can be a significant benefit, which an employer can offer without spending a dime.

A good place to start your research on your company's competitors is the U.S. Environmental Protection Agency's Best Workplaces for Commuters database at www.bestworkplacesforcommuters.gov. The program recognizes employers that offer top-notch commuting benefits like telework. On the list are 245 companies that have established exceptional work-from-home programs. To view the list, go to www.ergweb.com/projects/ccli/search/search_for_bwc_telework_results.asp.

If you don't find any competitor companies on the Best Workplaces list, you'll have to do your own legwork. Create a list of companies in your area that are similar in size, scope, and industry focus to yours. Then go to those companies' websites. If they offer benefits like telework, they'll probably advertise it, possibly in sections addressed to prospective employees. Another option is to simply call the competitor company's human resources department and ask.

Find support in your company's own documents

Speaking of advertising, what's in your employer's own recruiting, promotional, or human resources materials? It will be difficult for your employer to argue that telework doesn't mesh with the company's culture or work philosophy if you can point to supportive language in your company's own employee manual or other documents.

Print out copies of any particularly compelling statements about work-life balance or flexible schedules. Then bring this material with you when you speak to your supervisor about working from home. You can also cut and paste the best language into your formal telework proposal.

Good Spots to Fish for Data

Here are some of the best Internet resources for facts, numbers, and articles on working from home:

- Commuter Challenge, at www.commuterchallenge.org. Click on “Commuters” in the top navigation bar, then scroll down to “Case studies.”
- Telecommute Connecticut, at www.telecommutect.com. Click “Employers Info” in the left-hand navigation bar, scroll down to “Resources,” and then click “Case studies.”
- Innovisions Canada, at www.ivc.ca. Scroll down to “Miscellaneous,” and click “Case studies.”
- “Telework Works: A Compendium of Success Stories” (2001): This is a report published by the Office of Personnel Management of the federal government, which provides individual success stories of government teleworkers in various positions. You can download the entire report at www.opm.gov/studies/index.htm.
- The Telework Coalition, at www.telcoa.org. Click “Telework Facts” and “Telework in the News.”

Get help from the government

Because of telework’s many benefits to society, like reduced air pollution and traffic congestion, a number of state and city governments have established organizations to support telework initiatives in the private sector. Some even offer tax breaks and other incentives for employers who get on board. Check with your local or state government to see whether you live in an area that provides support services or other resources for teleworkers. For example, Telework Connecticut provides consultants and training at no cost, to help employers establish and maintain telework programs. Support from a government agency might make your employer more open to the idea of letting you work from home.

Writing Up Your Telework Proposal

Now it's time to think through the nuts and bolts, including when you'll be at home and how you'll stay in touch with your manager and coworkers. Then, you'll turn these ideas into a written proposal that you will present to your employer. There's a sample proposal later in the chapter.

The format of your written proposal should reflect the style and tone of an internal company memo. For example, if your manager likes to see documents in outline form with lots of bullet points and subheadings, then use those elements. The goal is to make your telework proposal look like an internal business communication, not a personal request. It may seem odd to communicate this formally with your manager. But it sends an important message: that you've thought through the issues, put effort into your proposal, and are willing to work on a teleworking arrangement in a businesslike manner.

Here are the issues every telework proposal should address.



RESOURCE

For help with your proposal. If you'd prefer to start with a generic proposal that you can customize, WorkOptions.com sells a template. It's \$29.95 at www.workoptions.com.

❑ **An executive summary.** Begin with a paragraph briefly summarizing your proposal. Don't force your employer to read through the entire proposal just to get the gist.

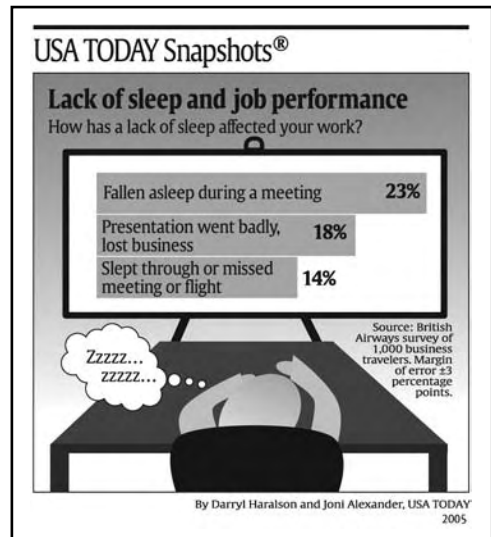
❑ **A suggested trial period.** Even if your ultimate goal is to work from home long term, you're more likely to get a green light if you ask to begin with a trial period of three months or so. If it proves successful, you'll be able to continue teleworking. If not, you'll make adjustments and start another trial, or return to the office and resume working the way you did before.

❑ **Business reasons for telework.** Tell your employer why working from home will help the company. (See Chapter 3 for help on explaining the benefits of teleworking.)

❑ **Statistics and case studies supporting your request.** From the research you've done, choose a few targeted statistics that are relevant to your situation. Just a few will do—don't clutter your proposal with too many facts and figures.

❑ **Your performance record.** Remind your employer what a diligent and reliable worker you've been. Pull out copies of your past performance reviews and quote the best bits. You want your employer to feel that letting you telework is a safe bet, not a gamble.

❑ **Your at-home days.** List the days of the week you plan to work from home. Let your employer know whether this schedule will remain the same each week, or whether you'll adjust it based on your and your employer's needs.




TIP

Start small. Your employer is more likely to give you the go-ahead if it's just for one or two days each week. Later, after you've established a successful record of teleworking, you can bring up the possibility of more work-at-home days. For many people, it's more realistic to stay home just a couple of days per week anyway.

Be strategic about the days you ask to work from home, taking your employer's needs into account. Monday, for example, tends to be a bad day to work from home. Also avoid days with regularly scheduled conferences or team meetings. Fridays, by contrast, are often good days to work from home, because many people leave early to get a head start on the weekend. Or maybe it makes more sense to be flexible about which days you work from home, based on what's happening at the office that week.

If you plan to work from home more than one day a week, you'll need to decide whether to schedule your telework days back-to-back or stagger them. A staggered schedule (for example, working from home on Tuesdays and Thursdays) lets you check in at the office more frequently and stay in the loop with your coworkers. But back-to-back telework days (for example, working from home on Thursdays and Fridays) will give you greater continuity, both on your projects and in communications with others in the office. Different structures work better for different jobs.

Whatever you ask for, make it clear that you're flexible and willing to come in to the office for critical meetings or at especially busy times.

 **Your at-home work hours.** If possible, keep your current work schedule even on the days you telework, at least at the beginning. For example, if you usually work from 8 a.m. until 4 p.m., clocking those same hours when you work from home will make it easier for your supervisor and your coworkers to adjust, especially if they work the same hours.

But maybe you'd prefer to start your day earlier and end in time to pick up your children from school or volunteer somewhere. Or maybe you'd like to divide your workday into two sessions, so that you have the middle of your day all to yourself. The freedom to set your own hours is the reason why many people wish to telework in the first place.

As a compromise, try to plan a stretch of working time during regular business hours, to make it easier for people to reach you. And be sure to plan your schedule around your key job responsibilities. For example, if your job requires you to communicate extensively with customers in Europe, then you obviously couldn't start work at noon, when they've already gone home for the day.

Whatever schedule you choose, of course you'll have to work the same total number of hours. Eight hours at the office means eight hours at home, period. Otherwise, you can't justify keeping the same salary and benefits.



☐ **What you will work on during your telework days.** State which assignments you plan to work on during the days you work from home and how you'll plan ahead and separate these from the tasks you'll handle at the office.

☐ **A description of your home office.** Provide as much detail as possible about your home office infrastructure: your available space, desk setup, communications technology, and more. Describe any measures you'll take to prevent injuries at home.

❑ **Who will pay for materials and equipment you'll need.** If you're starting with a part-time three-month trial period, you probably won't want to ask your employer to pay for anything other than basic supplies and any expenses it already pays for, like dues to professional societies. Your proposal will be a harder sell if it's going to cost your company money up front. On the other hand, if you've agreed to a full-time telework deal, your employer might be willing to help cover some of the costs of setting up your home office.

If you're asking your employer to cover some costs other than basic supplies, you could provide a cost-benefit analysis demonstrating that these expenses will more than pay off in the long run. A good resource is JALA International, Inc., a research organization that offers a free (but fairly involved) telework cost-benefit analysis tool on its website. Go to www.jala.com; click "services"; then click "Home-based Teleworking CBA."

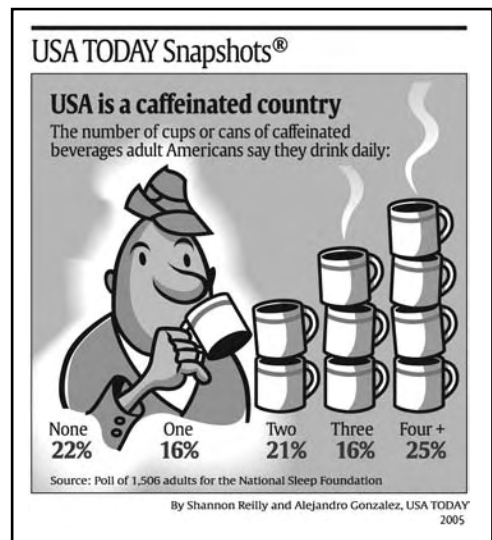
❑ **How you'll stay in touch from home.** The more reachable you are, the more comfortable your employer will be with your proposal. So provide an analysis of how much communication and collaboration your job requires, and how you'll keep it up from home. Include communication with your manager, coworkers, and perhaps customers or clients. In many cases, it will be obvious: the telephone for long conversations and email for the rest, including for sending and receiving documents and other important data. Some teleworkers schedule "virtual cups of coffee" with their managers or colleagues, just to catch up.

You'll also need to decide how your manager and colleagues will reach you when you're not in your home office. Will you carry a pager or a cell phone? Could you use a BlackBerry to check your email remotely?

**TIP**

No need to chain yourself to your home office desk. You'll probably want to take breaks in your telework days, whether to drive a family member to a doctor appointment or to clear your mind with a little yard work. It's smart to create a system for letting the people back at the office know when you've stepped away from your desk for longer than a bathroom break. Perhaps you could send a quick email or instant message to your team, or forward your calls to your cell phone. If you've got a personal digital assistant (PDA), you can check email no matter where you are.

How you'll account for your work and time. When you work in an office setting, it's relatively easy for your manager to see how hard you're working. But when you make the switch to working at home, your manager can't pop by your cubicle to check on your progress or see you staying late to meet a big deadline. You may have to come up with other ways of proving yourself. The easiest one is usually to prepare a daily or weekly report for your employer, showing your activities, accomplishments, and progress on various projects. Another option is to keep time logs, so your manager can see exactly how you're spending your at-home hours. You might even want to send drafts of works in progress before turning in a completed assignment. Having a strategy for keeping your manager in the loop will help put everyone at ease and ensure that you get the credit you deserve for the work you do at home.



Of course, if your success is measured by some set criterion, such as the number or dollar amount of sales you make, then the task of proving yourself becomes easier. Simply explain to your manager that you'll live up to the same standards as other employees.

❑ **How you'll handle team projects.** If you regularly work on group projects, you'll need to think through the mechanics of doing your share of the work from home without burdening others or slowing them down. For example, you might be able to separate out your part of the project and handle all or part of it from home. The details will depend on your ingenuity and the type of work that you do. And again, you'll need to stress that you can come into the office on unscheduled days for last-minute crunches.

❑ **How you'll maintain the security and confidentiality of your work.** Depending on your field, your employer may worry that working from home will compromise confidential data. List the protective steps you plan to take regarding client lists, trade secrets, and other important information. This might, for example, include buying locked file cabinets or new antivirus or spyware software.

❑ **How your salary and benefits will be affected.** As long as you're working the same number of hours and fulfilling the same responsibilities, there should be no change in your compensation. Spell this out up front.

Teleworking Proposal

To: Jeffery Sherman, Vice President, Sales and Marketing

From: Callie Sussman, Sales Manager

May 15, 20xx

Executive Summary

In my capacity as a sales manager at XYZ Corporation, I spend approximately half my time each week preparing 20- to 40-page written pitches to prospective clients. The better my pitches, the more likely it is that we'll land a new account.

At present, I don't have the opportunity to work on these pitches for blocks of uninterrupted time. My days at the office involve a variety of other obligations—like internal meetings, normal interruptions, and phone calls with clients—that prevent me from working exclusively on my pitches for more than an hour at a time.

I believe I would be much more efficient at preparing client pitches, and could produce higher quality work product, if I spent two days per week working on client pitches from my home office. Working in my home office would insulate me from office interruptions and give me a solid block of time to concentrate. I am confident that I could accomplish my other responsibilities during the three days a week that I would still work in the office.

The proposal that follows outlines the details of my plan to telework two days per week. To assess the viability of my telework plan, I would like to propose a three-month trial period. If at the end of that time XYZ Corporation feels that the plan is not working, I will resume working in the office five days per week.

The Benefits of Telework

Study after study has shown that telework dramatically increases employee productivity. For example, a pilot study by Boeing found that teleworkers were between 15% and 30% more productive than their on site peers. IBM similarly pegged telecommuting-related

productivity increases at between 10% and 20%.

The productivity gains associated with telework are most marked for tasks requiring concentration for blocks of time. For example, one teleworking CEO finds that he can accomplish more reading, writing, and analyzing in three hours at home than he can in three days at the office.

Other companies in our industry have already begun taking advantage of telework, with impressive results. Two years ago, ABC Corporation began a telework pilot program involving just five employees. Managers found productivity increases of between 10% and 15%. Moreover, the teleworking employees reported quality-of-life improvements that raised their overall job satisfaction levels. Since then, ABC Corporation has expanded its telework pilot program to include over 50 employees.

Attached as Exhibit A to this proposal is ABC Corporation's press release documenting the results of its telework pilot program.

Telework Is a Good Fit With XYZ Corporation's Culture and Philosophy

XYZ Corporation has always tried to be receptive to alternative ways of working and employees' work-life needs. For example, XYZ permits employees to work flexible schedules and cut back to part-time under appropriate circumstances. XYZ has also allowed employees to take extended leaves of absence for personal reasons, including the birth of a child.

These initiatives have not adversely affected XYZ Corporation's profitability or its ability to do business. On the contrary, XYZ Corporation's willingness to consider alternative ways of working has enabled the company to attract and retain top talent. As explained in last year's annual report, the company "has consistently sought to be at the forefront of work-life initiatives that help employees balance their professional obligations with their equally important personal needs."

By teleworking two days a week, I expect to be able to accomplish my work more efficiently and feel less stressed about my workload. I anticipate that I will experience a greater level of satisfaction at home and at work and will feel even greater loyalty to XYZ as a result.

Performance Record

I have been with XYZ for nearly four years. During that time, the company has promoted me twice in recognition of my accomplishments. My performance reviews have been consistently positive, and I believe I have earned the respect of upper management.

By all measures, I have proven myself to be a diligent and reliable member of XYZ Corporation's team. You can rest assured that I will continue working just as hard and will fulfill each and every one of my professional commitments once I begin working from home.

Home Office Infrastructure

During my telework day, I plan to work out of my home office. My home office is a quiet, windowed, well-ventilated 12' x 12' room on the first floor of my home. It will be fully outfitted with:

- large desk and ergonomic chair and keyboard
- dedicated home office telephone line with caller ID, call waiting, voicemail, call forwarding, and call conferencing capabilities
- Panasonic telephone with speakerphone and headset
- Dell XPS high-performance desktop computer equipped with the latest editions of Microsoft *Office*, *Internet Explorer*, and Adobe *Acrobat Reader*
- High speed Internet access provided through Time Warner Cable
- Canon PIXMA printer
- Brother laser fax machine
- dedicated fax line
- Xerox flatbed scanner

- Staples shredder, and
- full stock of standard office supplies (paper, staples, pens etc.).

Materials and Equipment

I will use a flash drive to transfer documents to my home computer or email myself necessary documents as file attachments. I will work on these documents on my home computer, save them on my home computer, and then use my flash drive or email the documents to myself to transfer them to my computer at work. I will save the revised drafts on the company server.

If I need hard copies of any documents or files, I will make copies of them the day before my telework day and bring them home with me that evening. I will return the files and documents to the office the next day or when I no longer need them if it's okay for me to keep them longer.

Costs

I will bear all costs associated with working from home during my telework trial period. I will not ask XYZ for reimbursement of any expenses I incur in connection with my effort to work from home, such as my Internet connection or additional heating bills. I will, however, expect XYZ corporation to treat me equally to other employees by paying for expenses associated with my actual job duties, such as paper, long-distance telephone calls, and professional dues.

Telework Schedule

I propose working from home every Wednesday and Friday. My working hours would be the same as my current working hours—from 9 a.m. until 5 p.m. If an important meeting or other onsite event requiring my presence is scheduled for a Wednesday or Friday, I will work on-site that day. I will work at home another day that week if possible, depending on the needs of the company.

I have arranged for full-time child care during the days I am at home so I am confident that I will be able to work in my home office without interruption.

Work I Will Do From Home

On my telework days, I will try to work exclusively on the preparation of client pitches. Preparing client pitches entails tasks that I can easily accomplish in my home office, such as reviewing client information; conducting research; analyzing data; writing; and editing.

I will handle all of my other job functions—such as meeting with junior members of my team and making presentations to clients—on the days when I work on-site. Because I usually have some control over when these events are scheduled, it will be easy for me to arrange to hold all of my meetings and client conference calls on the days I work in the office.

Accessibility & Availability

I will be fully available via phone, cell phone, email, and fax during the days that I work from home. I will have no trouble receiving documents—such as edits of my draft pitches or research reports—via fax or as email attachments. I will be able to send out drafts of my pitches using these same means.

My contact information is as follows:

Phone: (347) 231-3221

Cell: (312) 521-2313

Fax: (347) 211-3121

Email: callie.sussman@xyzcorporation.com

Should you wish to reach me after normal business hours or on the weekends, please contact me via email. I check my email every evening and several times on the weekends.

Accountability

At the end of each telework day, I will provide my manager, Alex Zambrowsky, with a brief summary of what I did that day. I will also give him work-in-progress drafts of my client pitches at the end of each telework day. This will let Alex track and supervise my work just as if I were on-site.

Security & Confidentiality

I will handle the work I do at home with the same level of discretion and confidentiality as I would if I were working on-site. To ensure the security of my work product:

- I have outfitted my computer with McAfee *Total Protection* to ensure the security of the data stored on my computer. I will take care to keep this software completely up to date.
- I will back up my computer files.
- I will keep my home office door locked when not in use.
- I will shred any client or company-related documents before disposing of them.

Injury Prevention

I will educate myself on ergonomics and outfit my office with ergonomic equipment and use it as safely as if I were in the office.

Salary & Benefits

Because the number of hours I work will not change, my salary and benefits will remain the same once I begin working from home.

■ ■ ■

Thank you very much for considering my proposal. Should you have any questions or follow-up concerns, please do not hesitate to contact me.

Presenting Your Proposal

Although you might be tempted to blurt out your telework idea to your manager in the hallway one day, don't. Take the time to plan your approach, including your responses to hesitation or objections. Whether or not your employer approves your request, this will help you be seen as someone who brings diligence and professionalism to all that you do.

Many people find the “one-two punch” to be most effective: First raise the concept of working at home in a face-to-face meeting or discussion; then follow up that conversation with the formal written proposal, which you've prepared in advance. Have it ready to hand over soon after the meeting, maybe with a few quick changes based on your discussion.

The written proposal will give your manager or other decision maker a chance to review your request, and will be useful if approval from others higher up is needed.

Ask the right person

Figure out who's in charge of approving your request to work from home. If it's someone other than your immediate supervisor, you'll have to decide when to tell your immediate supervisor about your plans. Your supervisor might be able to help stack the cards in your favor by putting in a good word about your work ethic and your reliability to upper management. On the other hand, you might want to hold off on informing an immediate supervisor who is not a trusted ally.

Don't beg, don't argue

Your manner has to match your words on this one. If you're begging and bowing, your manager will think of this as a favor being done for you, rather than a business proposal that will meet everyone's needs. Remember, your proposal is focused on one important question: What's in it for the company?

By the same token, recognize that you may be approaching someone who has little experience with teleworking and might see your request as a threat to employee discipline or productivity. If you acknowledge that these are issues that other employers have struggled with before discovering the many benefits of teleworking, you'll help make your discussion more productive.

Throw in added incentives

If your employer remains unconvinced of the mutual benefits of telework, you may need to offer up additional incentives. For example, you might promise to spend some of the time you save commuting each week doing extra work. (For obvious reasons, we don't recommend offering this until you've already encountered some major hesitation from your employer.) Or perhaps you could give up your parking spot or share your office space with a coworker, so that your employer can realize immediate cost savings. And maybe you were already planning to work during off hours, like evenings and weekends. If so, make sure your employer understands the benefits to be gained. If you can offer a tangible benefit that still lets you meet your teleworking goals, everyone wins.

Be Ready for Objections

Your employer may have some concerns about letting you work from home. The best way to deal with these objections is by addressing them directly. In fact, you might enlist a friend to play the part of your objecting manager beforehand, so that you can get comfortable with rehearsing what you're going to say.

"You won't be able to get your job done from home."

The whole idea of working from home might strike your employer as farfetched, particularly if no one in your company has ever done it before. Your employer might be nervous about everything from how you'll stay in touch to whether you will have basic technology like Internet and fax capability in your home office.

Fortunately, you've already thought through these nuts-and-bolts details. Now you'll just need to clue your manager in on their finer points—patiently, of course. What seems obvious to you now after thinking your plan through may take your employer some time to get comfortable with.

“You won’t be here when we need you.”

Your employer may worry that you won't be as available when you begin working at home, especially if you plan to do some work outside of regular business hours. To allay these concerns, highlight your strategy for remaining connected to your workplace.

Your employer might also be concerned that you'll miss important office events, like on-site client meetings. What happens if a critical presentation is scheduled for one of your telework days? Again, this is something you'll have already thought about. Assure your employer that you'll come in to the office or go to a client's whenever necessary.

“How will we know you’re working?”

Supervision issues can make or break a request to work from home. Many managers are uncomfortable with the idea of monitoring an employee who works off-site. Before your employer even voices this concern, lay out the portion of your plan explaining how you'll account for your work and your time at home.



**TIP**

Special software can help. Products like Symantec's *PCAnywhere* can let your employer have access to your home computer and see exactly what you're doing in real time. Talk to a computer specialist to learn more about these options. If that sounds like an invasion of privacy, don't forget that your employer already had the right to view your work-related emails.

"We've never done this before."

Your employer may object for the simple reason that the company has no telework program in place. You can point to the growing prevalence of telework around the country and the globe, and encourage your employer to be as flexible and innovative as its competition. Using the statistics and examples you've already collected from companies similar to your own, show that working from home is an effective way of doing business in the modern world. Remind your employer that you're proposing only a short-term test period.

"Everyone else will want to work at home, too."

Ah, the old "slippery slope" argument. Your employer may worry that it will soon be flooded with telework requests from other employees. One answer is to emphasize that not all of the company's jobs are teleworkable ones. And working at home simply doesn't appeal to everyone. Plenty of people like having a job because it gets them out of the house and in the company of others. (Single people are statistically less likely to telework, maybe because the house just gets too quiet after a while or the office provides a portion of their social life.)

"Your absence will hurt team-building and morale."

If you work as part of a team, your employer may be concerned that your coworkers will lose the value of your brainstorming and other in-person contributions. Point to the tangible steps your proposal

outlines ensuring that you'll pull your weight on team projects and stay connected to your coworkers.

Another (somewhat risky) approach is to suggest that your team members have a say in whether or not you should be allowed to work at home. You could suggest that your team members have a voice in deciding, after the trial period, whether or not your teleworking is a success. You can promise to return to the office full time if the majority of your team members feel that working off-site is inconveniencing them or hurting the quality of the team's work product.

“Telework is going to cost the company money.”

Your employer might be nervous that the company will have to spend cash out of pocket to enable you to work from home. While your employer might one day happily reimburse you for the costs of equipment, Internet access, and other home office necessities, make clear that for now, you're not requesting this. Explain that you'll be solely responsible for all costs over and above what other employees need for their daily work, at least during your trial period.

But also remind your employer that your absence may save the company money, particularly if you're giving up your office space completely. Providing office space for the average worker is said to cost an average of \$10,000 per year . And even if you don't give up your office, you won't be there to consume electricity or energy from a space heater—and let's not forget that delicious office coffee!

Among U.S. workers who could feasibly telecommute, fewer than 50% would choose to do so for more than two days a week, and 14% have no interest in telecommuting. (Source: National Technology Readiness Survey (NTRS), 2005/2006.)

Another money concern for your employer could be potential liability for work-related injuries that occur in your home. Fortunately, the trend so far has been that the employer's workers' compensation insurer will cover you as long as you can prove that your injuries happened as a result of your work. This means that if while working at home, you

develop a repetitive strain injury, dislocate your shoulder tripping over your office chair, or get eyestrain reading the fine print on company

Tips for avoiding repetitive stress injuries for people working on computers:

- *Use adjustable furniture to create a workstation that helps maintain a neutral body position.*
- *Place your monitor straight in front of you at eye level so you don't tilt your head up or down.*
- *Adjust your chair so your feet touch the ground and your back is well-supported.*
- *Arrange your keyboard and chair so you don't have to bend your wrists.*
- *Take frequent short breaks, drink plenty of water, and don't sit for more than two to three hours at a stretch.*

documents, you should be covered.

The coverage might (depending on your state's laws) include payment for lost work hours, coverage of medical treatment and other therapy, and vocational rehabilitation.

Still, it's worth asking your employer to double check its workers' comp coverage to make sure employees are covered for work-related injuries that take place at home. If the policy doesn't extend this far, your employer might be willing to change its coverage, particularly if other employees plan to telework. Whatever you do, don't give up any rights you have to insurance coverage when negotiating your work at home deal. This is particularly important because your own medical insurance won't necessarily cover you for an injury at home if the injury is work-

related. Instead, reassure your employer about the measures you'll take to prevent injuries at home.



TIP

Check in with your homeowners' insurance company, too.

Most homeowners' policies don't cover damage to property or injuries that occur in connection with the business use of a home. You might want to pay for a rider to your policy to cover your business equipment and business-related injuries to clients or colleagues who visit you in your home. ●

Finding a New, Teleworkable Job

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Maybe your current employer won't budge on the subject of telework, or your actual job really can't be teleworked. Could it be a sign that it's time for you to look for something else? If you're interested in a new job, this chapter will help with your search by:

- showing you how to find a job that might let you transition to telework after starting out as a regular employee
- providing tips on looking for an advertised telework position
- giving you the lowdown on some relatively common (but not always advertised) jobs you can do from home, like online tutoring and home-based telemarketing, and
- bringing you up to speed on job listings to avoid and the latest schemes and scams targeting work-at-home job seekers.

Find a Telework-Friendly Employer

Let's assume your job fits the teleworkability criteria discussed in Chapter 3, but your current employer won't let you do it from home. In theory, all you need to do now is find a telework-friendly employer with a job opening. Maybe you've already scanned the listings and found no openings in your field that mention teleworking. That's not surprising, nor is it bad news.

Most employers prefer that new hires start out working onsite. It makes sense. Being in the office gives you a chance to get some training, the employer a chance to develop trust in your work, and both of you some time to get to know one another. After you've proven yourself (say, in six months), the employer may approve or even encourage you to try teleworking.

But back to your job hunt. You'll probably have to do more than read the ads to separate the telework-friendly employers from the rest.

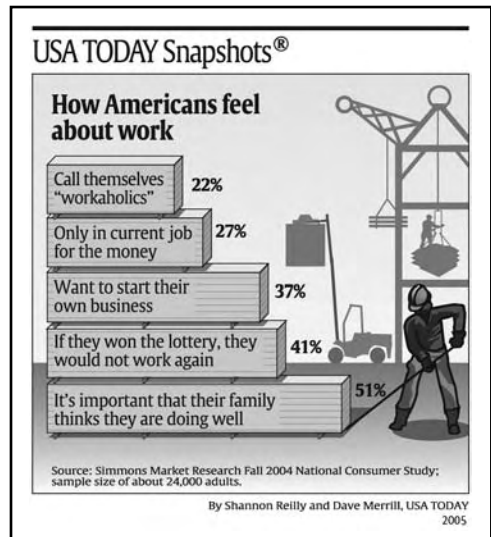
The first thing to do is to make a list of telework-friendly employers in your field. Start with the U.S. Environmental Protection Agency's

Best Workplaces for Commuters database, which recognizes over 200 employers for outstanding telework programs. It's at www.ergweb.com/projects/ccli/search/search_for_bwc_telework_results.asp.

No luck with this database? Check the website of any company in which you're potentially interested—either those that have placed ads or those worth sending a resume to anyway. Many employers with telework programs publicize these benefits in the recruiting section of the company website.

Look for words like “family-friendly” and “flexible.” To find out what companies are advertising, check online job sites like Monster (www.monster.com), CareerBuilder (www.careerbuilder.com), and Craigslist (www.craigslist.org). There are also more specialized job resource websites like YourOnRamp (www.youronramp.com), which caters to professional women reentering the workforce and seeking to maintain a work/life balance. Finally, don't forget to ask your friends, business contacts, and acquaintances—anyone who might know about companies that allow teleworking.

When you get to the job interview stage, go in with the assumption that you'll start working onsite. But at some point, whether in your first interview or final negotiations, ask about the employer's policy regarding telework, and explain that you may be interested in trying it out at some point.



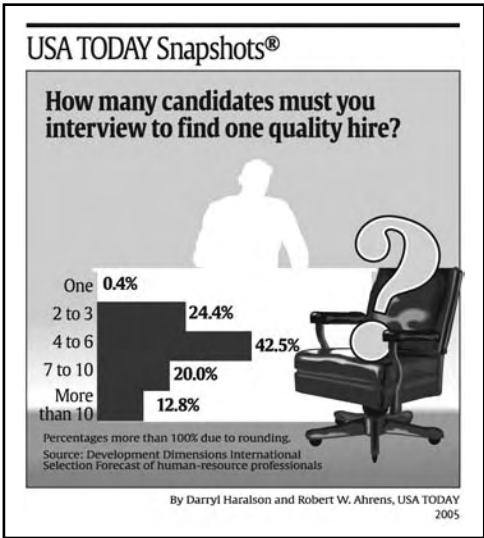
If you're worried that this will tip your hand and turn off an employer who perceives teleworkers as slackers, remember that this is a dealbreaker for you—the potential for telework is the main reason you're looking at this job. You wouldn't go into an interview knowing that you absolutely need to make \$75,000 a year and then just take the job without an actual salary discussion.

But don't push too hard, either. You want the employer to promise to consider a telework arrangement—after you've proven yourself on the job. At the negotiation stage, a promise to actually let you telework may not happen.

Once you land a new job, put your nose to the grindstone. Work hard, learn the ins and outs, and bend over backwards

to impress your new employer. Keep it up for at least six months—a full year would be even better—before once again raising the topic of telework. At a minimum, wait until you've had at least one positive performance review before making your formal request (using the process in Chapter 4).

This approach to finding a telework job requires patience and planning. However, we can think of no better way to secure a well-paying work-from-home job that meshes with your interests and experience. It is the scenic route, but sometimes that is the only path worth taking.



Find an Advertised Work-at-Home Job

Still tempted to just check the want ads for your dream telework job? We certainly don't want to stop you from looking; you never know what will turn up. But be ready to plow through a lot of ads for low-paid, menial work. Then again, maybe for now, some simple work you can do at home in order to bring in extra cash while attending to family, school, or other life matters is just the ticket.

Begin your search by checking online jobsites such as Monster (www.monster.com), CareerBuilder (www.careerbuilder.com), and Yahoo! hot jobs (<http://hotjobs.yahoo.com>). These provide comprehensive job listings from companies around the country. And don't forget Craigslist, at www.craigslist.org, where more and more employers post jobs, and other more specialized job resource websites like YourOnRamp (www.youronramp.com), which caters to professional women reentering the workforce and seeking to maintain a work/life balance.

The search-by-keyword feature of these sites enables you to rapidly zero in on telework opportunities by running separate searches for each of the following words:

- telecommute
- telecommuting
- telecommuter
- virtual
- telework
- work-at-home
- work from home, and
- home-based.

Remember that many work-at-home jobs can be done from anywhere, so you don't need to restrict your search by geographical region.

If you'd rather have someone else do the initial searching for you, the websites below offer free lists of work-at-home jobs:

- www.ratracerebellion.com. Click on “Fresh Work at Home Job Leads” in the left hand navigation bar, under the heading “Rebellious Resources.”
- www.wahm.com. Click on the link marked “Telecommuting/ Work-at-Home Job Listings” in the left hand navigation bar.

These lists are prescreened and include only legitimate telework opportunities, not work-at-home schemes and scams. However, each list includes only a handful of new telework jobs each day, so they’re not a complete substitute for checking the major job boards.

**CAUTION**

Don’t pay for job listings. Online services might promise access to exclusive work-at-home job listings for a subscription fee. But legitimate employers pay to place ads to find qualified employees, not the other way around.

Once you start looking, you’ll see that many of the advertised telework positions fall into a few categories:

- telephone-based jobs, such as customer service agents, sales representatives, appointment schedulers, and recruiters
- writing and research jobs, such as editors, journalists, researchers, and bloggers
- computer technology jobs, such as software developers, information technology experts, Web designers, and technical support professionals, and
- transcription or translation work, such as transcribing medical records and translating corporate documents.

It’s no mystery why these jobs dominate the telework ads. They can all be done by one person, alone, using little more than a phone and a computer. And the employee’s performance is easy to measure by results, such as the number of sales, articles, or transcriptions.

If you find an intriguing ad, send an email with your application package pronto. Telework jobs are highly coveted, and you may face plenty of competition. Waiting even an extra day could mean the difference between an interview and a form rejection letter.

Always include a cover letter with your application, highlighting not only your interest in and qualifications for the job, but also explaining why you'd excel as a teleworking employee. If you occasionally work from home on evenings and weekends, for example, explain that you're already experienced in doing substantive work without supervision. For guidance on what employers consider when evaluating a current employee's suitability for telework, take a look at Chapter 4. Many of the arguments that employees would use to convince their current boss to let them work from home—such as their outstanding performance record and their ability to concentrate on work for long blocks of time at home—will be equally persuasive to a new employer.

**TIP**

Run telework job searches daily. Employers post new jobs every day. Checking regularly will ensure that you don't miss out.

Finding a job you can do from home is a job in and of itself. It will take diligence to research potential opportunities, perseverance to keep trying even when your inbox begins to fill with rejection notes, and patience to survive the weeks or months of searching. The more flexible you can be about your income and job responsibilities, the easier it will be for you to score a job you can do from home.

Telework Jobs You Might Not Find Advertised

After checking the listings for work-at-home opportunities, you might feel discouraged. There may be fewer than you hoped for or none that you're interested in. Don't lose hope. There are many different kinds of work-at-home jobs, but not all of them are commonly advertised. Here, we'll go over some of the most likely opportunities and where to look for them, what kind of pay to expect, and whether you'll need any special training or experience.

Some of these jobs are freelance opportunities, rather than salaried positions. And many are part-time in nature and don't pay a lot. To earn an adequate living working exclusively from home, you might have to combine freelance opportunities or work for two or more companies.



RESOURCE

If you need more ideas. The list of opportunities below is just a starting point. You'll find more tangible ideas for freelance work you can do from home in Chapter 6.



SKIP AHEAD

Law and taxes for independent contractors. Many of the companies we mention below hire home-based workers as independent contractors (or freelancers) rather than employees. Independent contractors are responsible for their own taxes and record keeping. You can learn all about these legal and financial requirements in Chapter 6.

Call center agent

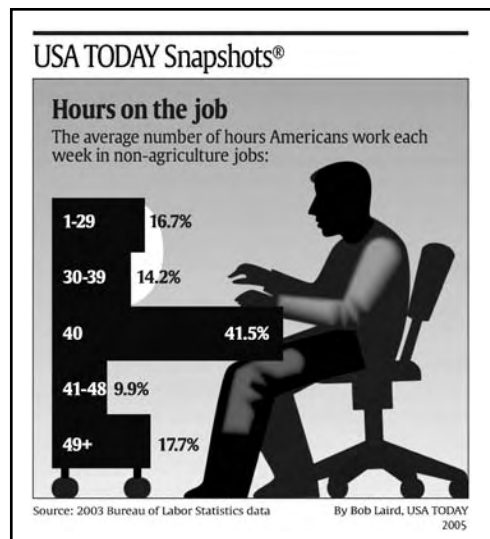
If you enjoy talking with people on the phone, becoming a home-based call center agent might be a terrific telework choice. More and more companies now outsource their customer service phone calls to call centers, which can handle the calls more cheaply by using foreign

labor or home-based agents. Thanks to modern call-routing technology, customers phoning in almost never know the difference. And if you hate the telephone, some companies also hire agents to respond to online customer questions.

Since 2000, the number of North American home-based call center workers has tripled. Well over half a million people in the United States and Canada now earn a living by answering customer phone calls from home. The main appeal to being a home-based call center agent is its flexibility. You can work full time or part time, and shifts are available around the clock.

To get hired, you'll need a good phone presence, a dedicated phone line, a computer with high-speed Internet access, and a quiet space where you can field phone calls. This is not the kind of job you can do with a baby in tow or a new puppy scurrying about—call centers don't want customers hearing household sounds in the background. If you'll be chatting online, you won't need the dedicated phone line and quiet background, but you will need good written communication skills. And because the work is shift-based, you must also be able to set aside several hour blocks of time to handle calls or online inquiries.

The pay begins at about \$6 to \$9 per hour. Some companies pay by the customer question instead of the hour, so your income may vary depending on the number of questions received. Of course, you'll want to get some assurances about typical volume before agreeing to the latter pay arrangement.



To find out more and see who's hiring, check the websites of the top call center companies:

- Alpine Access (www.alpineaccess.com)
- LiveOps (www.liveops.com)
- Arise (www.arise.com)
- West Corporation (www.west.com), and
- Working Solutions (www.workingsol.com).

Another company you might want to contact is VoiceLog (www.voicelog.com), which employs home-based telephone representatives in the related field of monitoring customer service phone calls for quality assurance purposes.

Telemarketer

If you're comfortable with making cold calls and you've got a knack for sales, you might like working as a home-based telemarketer. A typical telemarketing position involves selling goods and services—such as magazine subscriptions—over the phone. But some telemarketing positions involve other tasks, like making appointments with potential customers or soliciting donations for a nonprofit organization.

The entry requirements are similar to those for call center agents. For example, you'll need a dedicated phone line and the ability to commit to working specific shifts each week. You may also need a year or more of prior telemarketing or sales experience. (You could build up your resume by working onsite for a telemarketing company in your area.) On the plus side, you'll earn substantially more as a telemarketer than as a call center agent, since you'll be responsible for selling goods and services to new customers, not just addressing the needs of existing customers.

Telemarketer pay is usually structured as an hourly base rate close to that of a call center agent, plus a commission for every good or service sold or appointment scheduled. This means that your take-home pay will depend on your ability to convince perfect strangers to purchase products or to book appointments over the phone. Full-time telemarketers who

excel at what they do can earn upwards of \$150 per day.

To search for home-based telemarketer positions, go to the major job boards like Monster.com and CareerBuilder.com. Run keyword searches for each of the following combinations:

- telemarketer home
- telesales home
- appointment scheduler work home, and
- appointment setter work home.



RESOURCE

Telemarketing companies to contact. Three companies that hire home-based telemarketers are: TeleReach (www.telereach.com), Intrep (www.intrep.com), and West Corporation (www.west.com). Submit your resume even if there are no current openings, because you never know when a position will become available.

Online tutor

If you have a knack for taking difficult topics—like French verb conjugation or calculus—and making them easy to understand, you might find happiness as a home-based tutor. Online tutors help young people struggling with the day-to-day challenges of homework assignments, exam preparation, and essay writing.

The pay is reasonable and the schedules can be incredibly flexible. Tutor.com, for example, pays qualified individuals between \$10 and \$14 per hour, plus bonuses and incentives. The company requires that tutors commit to working a minimum of five after-school hours per week during the academic year.

Learn more about becoming an online tutor at www.tutor.com (click “Become a Tutor”). Also check out SMARTHINKING (www.smarthinking.com). You can find additional online tutoring opportunities on the major job boards, such as Monster.com (a keyword search for the phrase “online tutor” will usually take you to the right place).

**RESOURCE**

Become an online professor. Universities that offer online courses often employ virtual instructors. A good place to start is the University of Phoenix, one of the country's leading online educational institutions. Go to www.phoenix.edu and click "Faculty."

Virtual assistant

Have you ever worked as an administrative assistant—perhaps as a secretary in a big corporate office, or a file clerk for an insurance company? If so, you may have the skills and background to make it as a virtual assistant. Virtual assistants perform many of the same tasks as onsite administrative personnel, like data entry and word processing—but they do them from the comfort of home. Your most likely employer is a small business that can't afford full-time administrative support.

Virtual assistants usually earn between \$10 and \$12 per hour, although rates can be higher for positions requiring specialized expertise. Work schedules vary according to the nature of the job and the needs of the employer.

To find out more about becoming a virtual assistant, two companies to contact are Team Double-Click (www.teamdoubleclick.com) and Virtual Office Temps (www.virtualassistantjobs.com). Also run a keyword search on the major job boards for the phrase "virtual assistant."

Medical transcriptionist

If you're a detail-oriented person with top-notch typing skills, a career as a home-based medical transcriptionist might be a good fit. Medical transcriptionists take audio-recorded doctors' reports (known as "dictations") and transcribe them into written text. These written reports are important for patient records and for filing health insurance claims.

Full-time transcriptionists can earn between \$30,000 and \$40,000 per year. To qualify for a position, you'll need some training in the transcription field to gain familiarity with medical terminology and become adept

at the process. Your local community college may offer medical transcription courses, or you can look into online certification programs.

Once you're qualified, you can search for home-based transcriptionist positions with companies such as MedQuist (www.medquist.com) and Ascend Healthcare Systems (www.healthiva.com).



CAUTION

Read the fine print. If you see an ad for a company that promises to provide you with the materials and training to start your own medical transcription business, don't respond. It's almost certainly a scam (see "Avoid Schemes and Scams," below).

Translator

Are you perfectly fluent in a foreign language? Do you have any experience doing translation or interpreting work? If so, you might find employment as a home-based translator. Companies engaged in cross-border transactions often need language talent to provide real-time interpretation for important conference calls or written translation of corporate and legal documents. When in-house talent is lacking, these companies turn to language firms such as Accurapid to access skilled translators. The languages that tend to be most in demand include Japanese, Spanish, Russian, and Italian.

Translators usually work from home on a freelance basis. The volume of the work varies, as can the pay. You might get paid a flat fee, or at a per-page or hourly rate, depending on the company and the client. Once you establish yourself as a trusted freelance translator, you could make \$40,000 or more per year.

To learn more, here are a few companies to contact:

- Telanguage (www.telanguage.com)
- Accurapid (www accurapid.com)
- Legal Language Services (www.legallanguage.com), and
- Language Line Services (www.language.com).

Virtual concierge

If you're a resourceful "people person" who likes challenge and variety in your working day, then you might excel as a virtual concierge. You'd be similar to a hotel concierge, recommending and arranging shopping and other activities, but for corporate employees rather than hotel guests.

Concierge services are becoming increasingly popular among Fortune 500 companies, which offer the services as a perk to their employees. It doesn't make financial sense for them to keep in-house teams of people ready to offer restaurant recommendations, book airline tickets, or track down a first-edition book for a spouse's birthday. Instead, they

outsource these services to outfits like VIPdesk (www.vipdesk.com)—which then hire home-based workers to do the heavy lifting.

Virtual concierges are skilled professionals, who are paid between \$14 and \$20 per hour. But the entry requirements are steep. You'll need experience in the hospitality or customer service industries, and extensive knowledge about restaurants, entertainment, shopping, and other attractions in your area. Finally, you have to be detail oriented and willing to handle

Are You Ready for This Request?

Here are some of the most unusual reported requests made to concierges, at hotels or elsewhere:

- *Daily baths of fresh goat milk.*
- *A helicopter to fly a banner over a beachfront bar and grill at a specific time, as a birthday surprise.*
- *False eyelashes.*
- *A shop selling frog-skin leather.*
- *Advice on how to get a guaranteed "Yes" to a marriage proposal.*
- *T-shirt for a dog.*

everything from a restaurant reservation to a hunt for an identical replacement for a child's missing teddy bear.

In terms of physical requirements, you'll need a quiet workspace, a dedicated phone line, and a computer with high-speed Internet access. You'll also have to commit to working certain shifts during the week. You won't be able to squeeze your work in whenever it's convenient for you—after all, with lost teddy bear trauma, minutes count.

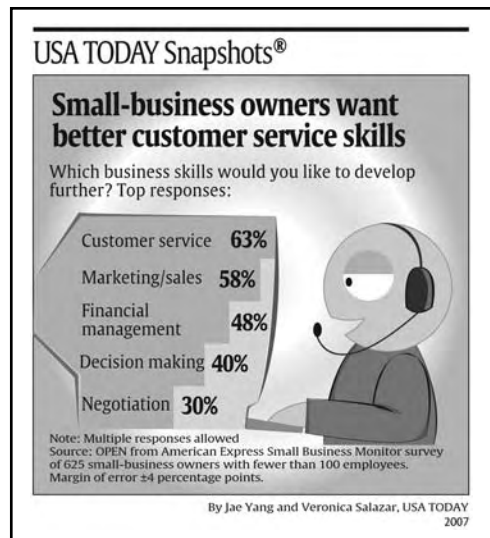
To learn more about becoming a virtual concierge, the best place to start is VIPdesk's website (www.vipdesk.com). VIPdesk is well established in the virtual-concierge industry, and serves a roster of blue-chip clients. Find out about current hiring needs by clicking "Join Our Team."

Online expert

Do you have specialized knowledge in a particular area? For example, do you know everything there is to know about old baseball trading cards, making melt-in-your mouth cookies, or choosing a mutual fund? Do you enjoy sharing your knowledge with others? Are you computer savvy? If the answer to all these questions is yes, then you might land a position as a home-based online expert for a website such as About.com, Just Answer, or ChaCha.

At About.com, online experts can earn a minimum of \$500 per month for writing articles on their chosen topic. About.com guides are responsible for putting together a full-length article at least once every two weeks, and updating an expert blog three times a week. Compensation is tied to the popularity of the materials you publish. The more people who read your articles, the more money you can make. The most successful About.com guides earn over \$100,000 per year working exclusively from home. Check out the possibilities at www.about.com; click "Be a Guide."

At Just Answer, online experts answer questions on a wide range of topics, from medical and financial issues to automotive and technical problems. Customers post questions with a dollar value attached, usually \$9 to \$15. The expert who successfully answers the question



earns 25% to 50% of that dollar amount, depending on the expert's ratings. For example, someone might ask a question about renegotiating a student loan payment, and offer \$8 for an expert answer. The financial

expert who answers will earn between \$2 and \$4.

The online public awaits your knowledge! In mid-2007, About.com was looking for experts in the categories of action figure collecting, all-terrain vehicles, eczema, erectile dysfunction, fly fishing, inline skating, Mustangs (the car), snowboarding, Taoism, and U.K. television comedies.

Though your earnings per answer will be small, the job can be worth the effort if you stick to questions in areas you know well. You might be able to answer two or three questions while you watch your favorite show, and make an easy \$10 per hour.

What's terrific about Just Answer is that you can set your own hours and work as little or as much as you want. To learn more, go to www.justanswer.com and click "Become an Expert."

Finally, there's ChaCha, a new search engine that offers users free Web-search assistance from a live guide. ChaCha pays a very modest sum (\$5 to \$10 per hour) to these guides, who work from home. The advantage is that the work is easy and relatively stress-free, with no worries about minimum time requirements or mandatory shifts. Unfortunately, you can serve as a ChaCha guide only if you're invited by another ChaCha guide.

Home-based mock juror

Are you one of the rare few who enjoy getting called in for jury duty? Do you like watching legal shows on television and reading about headline-making trials in the news? If so, you might enjoy work as an online mock juror. The pay is unimpressive (often in the range of \$30 to \$60 per case you review), and the work isn't steady. However, the work can be an interesting and entertaining way to supplement your income from home.

When lawyers face jury trials, they like to test out their facts and arguments beforehand, with a mock jury. Doing this with a live audience would be prohibitively expensive. But presenting the case to

online jurors is a cost-effective way to see how real people respond to different arguments and where their sympathies lie.

Don't worry that you'll have to spend days glued to your computer. Usually, you'll just have to review a written summary of the case and the key arguments or view a relatively short video. Then, you'll have to convey your impressions to the lawyers in writing, explaining which arguments you found most convincing and why.

If you're interested, here are a few companies to contact:

- JuryTest (www.jurytest.net)
- TrialJuries (www.trialjuries.com)
- ZapJury (www.zapjury.com)
- OnlineVerdict (www.onlineverdict.com).



RESOURCE

Tory has the story! Many of the work-at-home job opportunities we've listed above were identified by the CEO of Women for Hire, Tory Johnson. Learn more about Tory and her career-services organization at www.womenforhire.com.

Avoid Schemes and Scams

As you read through the job listings of any newspaper or career website, be dubious, especially about any ad that makes big promises but asks you to pay the supposed employer money first. You'll probably come across dozens of these "opportunities" to work from home, describing a paradise in which you make thousands of dollars a month (despite your lack of experience) while setting your own hours and working as much or as little as you wish. All you have to do to get going is purchase start-up materials and training—an up-front investment they imply you'll earn back many times over! As you can probably guess, these work-at-home positions are really work-at-home ploys. No one stands to profit except the entity collecting your up-front payment.

If you're convinced that you'd never fall for a work-at-home scam, think again. The advertising materials are prepared by professional shysters, who expertly craft them to sound legitimate. You might see doctored testimonials from fictional at-home workers who've made more than they ever thought possible using the advertised scheme. Or their website may look just as sophisticated as that of a Fortune 500 company. With the enticements of quick riches and short workweeks, it's hard to resist the temptation to write a check for a few dollars so you can find out more.

Many of the work-at-home scams are variations on a few basic schemes. Once you're familiar with their features, you should be able to spot the scams from a mile away.

Medical claims processing scams

Because there are many legitimate work-at-home jobs in the medical claims field, schemes involving this industry can be quite convincing.

Scams abound.

Christine Durst, telework expert and author of The Rat Race Rebellion, reports that there are 42 work-at-home scams for every legitimate work-from-home position.

The typical one promises to train you in a field such as medical transcription or medical coding (matching up medical procedures with the appropriate insurance codes). You're promised a database of physician contacts and everything you need to start a service from home, all for a several-hundred-dollar fee.

What do you get for your money? Some outdated or inappropriate software and a list of local physician contacts that may have been photocopied from the Yellow Pages. Your chances of earning money with these materials are virtually zero.

Product assembly scams

The typical product-assembly scheme promises that you can make easy money from home by putting together craft items or other products for companies that sell them. However, most products sold today are either assembled by factory workers (often in places like India and China) or simply packaged with assembly instructions (think IKEA). No reputable company would outsource product assembly to a random group of home-based workers.

The scheme works by asking you to purchase the materials and instructions for putting together products like baby booties, plastic signs, or toy clowns. You're told that a company has already committed to purchase the assembled products, at a significant profit to you, provided you follow the instructions and meet quality standards. But once you submit your assembled products for sale, you're invariably told that they don't meet unspecified "quality standards." Never mind that you followed the assembly instructions to a T and put together the products perfectly.

The company sponsoring the scheme profits every time an at-home worker purchases instructions and materials. You, on the other hand, will get nothing in return for your investment but some unsaleable merchandise.

Envelope-stuffing scams

This is one of the oldest tricks in the book. A company promises—maybe even “guarantees”—hundreds of dollars a week just for stuffing envelopes in your own home. The ads appeal to many people because no training is necessary (everyone knows how to put paper into an envelope), and you can do it while watching Oprah. But the reality is that no established business actually depends on at-home workers to stuff its envelopes anymore. In fact, the U.S. Postal Inspection Service reports that in “practically all businesses, envelope stuffing has become a highly mechanized operation using sophisticated mass mailing techniques and equipment which eliminates any profit potential for an individual doing this type of work at home.”

When you respond to an ad for at-home envelope stuffing (usually by paying a fee), you don't get envelopes to stuff. Instead, you receive promotional material on other work-at-home programs. Getting the details of these plans requires paying yet another fee. What you

ultimately get are instructions on making money by placing classified ads and setting up your own envelope-stuffing work-at-home scheme. The scam works by getting more and more people to pay fees to get started and to obtain more information on fraudulent work-at-home programs. It sounds absurd, but plenty of pranksters have made tidy profits preying on others' wishes to work at home.



Direct sales pyramid schemes

Direct sales aren't all bad. Many perfectly legitimate, profitable companies, like Avon and Tupperware, employ home-based workers to sell products directly to consumers. These sales representatives earn commissions for every product they sell, and commissions for every product sold by new representatives they recruit for the company. Direct sales can be a terrific work-from-home option for charismatic individuals who love interacting with people.

Unfortunately, a fair number of crooks have taken the direct-sales model and corrupted it into a work-from-home ploy commonly known as a "pyramid scheme." In these schemes, companies earn money primarily by recruiting new investors to purchase large quantities of product for resale. There is usually no real market for the products, and

the company puts no effort into product advertising or marketing. The more “sales representatives” who sign up, the more money the people at the top earn, regardless of the number of products actually sold to consumers. Sooner or later, the pyramid collapses.

Here’s some more detail on how these schemes work: Let’s say you agree to do sales for a company. To get started, you’re required to buy \$5,000 worth of product, which you’re told will earn you a \$2,000 profit. The company also promises to reimburse your initial \$5,000 investment if you recruit two new sales representatives. After weeks of effort, you convince two friends to sign up, so you at least get your money back. But neither you nor your friends succeed in selling any of the product—in fact, you start realizing that nobody wants it. Before long your friends are out \$5,000 apiece and boiling mad at you, and you’ve wasted a lot of time in order to break even. You also could be charged with fraud for enticing other people to invest.

Think you might have found a legitimate direct sales opportunity? Don’t sign up before finding out as much about the company as you can, including checking with your local Better Business Bureau to verify its business history. And trust your gut—if an opportunity sounds too good to be true, it probably is.

Recognizing other work-at-home scams

The scams we’ve described aren’t the only ones out there, but once you know the pattern, you should be able to steer clear of all of them. First, be wary of any opportunity that promises you’ll earn thousands of dollars a month or more. By and large, legitimate work-at-home jobs do not pay particularly well.

Second, watch out for the “no experience necessary” line, which is used to reel in the most vulnerable work-at-home job seekers, like people who’ve been out of the workforce for many years. These people are often more than willing to pay \$20 or \$50 for a start-up kit that will show them how to earn a six-figure income in their pajamas.

Be suspicious of any company you've never heard of. Work-at-home scams are typically run by fly-by-night entities that can close up shop at a moment's notice, not major corporations with offices all over the country. And avoid opportunities that require you to pay cash before you get started.

Finally, ask for references. Don't settle for written testimonials, which are easy to fabricate. Instead, get the full names and telephone numbers of actual people who have profited from the business opportunity before, and call those people to talk details. Any company that can't give you references is one you shouldn't consider.



RESOURCE

For more on work-at-home fraud. The U.S. Postal Inspection Service offers a free DVD on avoiding work-at-home scams. Just call 800-STAMP-24 (800-782-6724) and ask for a copy of *Work-at-Home Scams: They Just Don't Pay*. ●

Go Freelance!

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If you feel like you've hit a dead end with your own employer and aren't having any luck finding a telework-friendly employer, don't despair. There are other routes to achieving your dream. One of the quickest is to cut the strings and strike out on your own as a freelancer (also sometimes called an independent contractor or consultant).

Working as a freelancer means losing many of the comforts of being someone else's employee, such as regular paychecks, paid vacations, and health insurance benefits. You'll also give up the peace of mind and promotion potential that comes with a steady job at a stable employer. In return, however, you'll enjoy the freedom to work how, when, and where you please. You'll have the power to choose your own projects, set your own rates, and—most important—work from home whenever you wish.

This chapter covers the nuts and bolts of becoming a freelance at-home worker. First, we'll help you weigh the pros and cons of leaving salaried employment. Then we'll tell you what you need to know to get started—from choosing a line of work, to finding clients, to setting competitive rates and getting paid. We'll also give you important advice on taxes and record keeping, to help you run your freelance business smoothly and keep out of trouble with Uncle Sam.



SKIP AHEAD

We're discussing freelance service providers. This chapter is for people who provide services on a project or hourly basis—for example, drafting a set of architectural plans, writing an article, or preparing tax returns. If you're interested in selling goods or running a retail business from home, you'll need other information, available in resources like [Legal Guide to Starting & Running a Small Business](#), by Fred Steingold (Nolo), and [Wow! I'm in Business](#), by Richard Stim and Lisa Guerin (Nolo).

Is Freelancing for You?

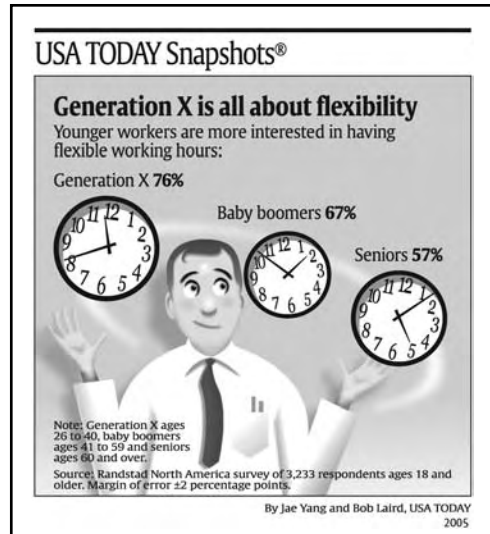
True to its name, the life of a freelancer brings plenty of freedom. Freelancers can take on the projects they find appealing or financially worthwhile and reject the rest. They can pick and choose the companies they work for and dictate how much they feel a project is worth. Freelancers are free to work where they want as well. For many freelancers, home is where the heart is—and also where the work gets done.

The typical freelancer works for more than one company or client at a time. Instead of receiving a salary, freelancers work—and get paid—on a per-project or per-hour basis. For example, a freelance editor might agree to review a book for a publisher for a fixed fee of \$3,000. Or a freelance computer specialist might provide 20 hours of help-desk services to a small company at a rate of \$50 per hour.

While freelancing can be a wonderful way to earn a living from your home, the freelancing lifestyle is not for everyone. Here, we'll fill you in on the upsides and the downsides of making a living as a freelance at-home worker.

Choosing what services to offer

If freelancing sounds like the life for you, you'll need to identify some type of work that a company or client would be interested in outsourcing to you. Companies most often hire freelancers for projects that are labor-intensive or require specialized knowledge. For example,



a small company might turn to a freelance translator to assist with international agreements, instead of hiring costly bilingual employees.

Companies also prefer to outsource discrete assignments that one person can handle independently, like copyediting or preparing a PowerPoint presentation. Other types of freelance assignments include

You go, warrior!

According to etymological dictionaries, the word “freelance” originally meant a “medieval mercenary warrior.” It was coined in the 1800s by Sir Walter Scott, but “freelancing” wasn’t used as a verb until the early 1900s.

architectural drafting, bookkeeping, preparing public relations materials, proofreading, writing and editing, illustrating, researching, graphic design, Web design, and photography. In general, any task you could do from home, without a lot of interaction with other people, is one you could probably handle on a freelance basis.



RESOURCE

Get some ideas. See what kind of freelance work others are doing, or what employers are looking for, by visiting the major freelance job boards: Elance (www.elance.com), SoloGig (www.sologig.com), Guru (www.guru.com), and HotGigs (www.hotgigs.com).

Rolling the dice: waiting for the next project

Perhaps the biggest downside of being a freelancer is the uncertainty that comes with the territory. No longer will you be able to count on a regular paycheck to pay the bills. Instead, you’ll have to hope that you get enough projects to make ends meet.

It can take a long time to get established and develop a reliable roster of clients. Until then, you might be busy one day and staring at a quiet phone the next. Even long-time, successful freelancers can’t say for sure how much they’ll earn in any given month. This unpredictability can be stressful, especially if you’ve got a family to support.

The flip side to this is that the more you work as a freelancer, the more you earn. (This isn't the case for most professionals, who are ineligible for overtime pay.) If you're willing to put your nose to the grindstone, you could take home far more than you would have ever made as a regular employee.

Tiny, Home-Based Businesses May Be Your Best Clients

USA TODAY reporter Jim Hopkins found that, fed up with rising labor costs, a new generation of entrepreneurs is launching millions of tiny companies differing from businesses of the past: They don't want employees.

In place of paid employees, owners harness new technologies to outsource work, often linking up with other like-minded entrepreneurs to get jobs done in a virtual assembly line spanning the globe.

Nonemployer firms are often home-based ventures with no paid employees and generally at least \$1,000 in annual revenue. In an analysis for USA TODAY, the Small Business Administration estimates the number of these firms reached the 20 million mark for the first time in 2006.

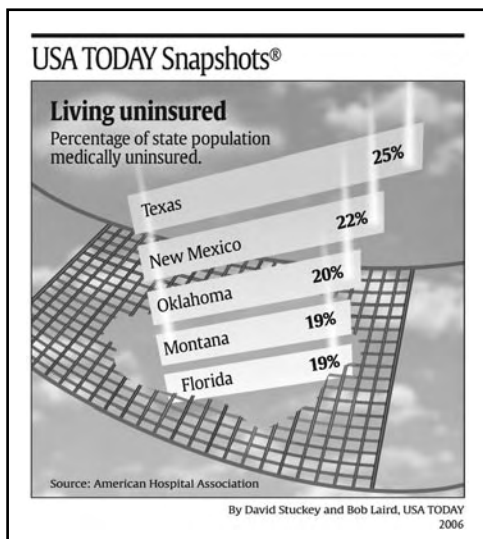


"Wanted: Nobody; Businesses with 0 employees use outsourcing to get the job done," by Jim Hopkins, December 11, 2006.

Losing the perks

Say goodbye to paid benefits like health insurance and matching retirement contributions when you strike out on your own. Most clients, however, are willing to pay freelancers much higher hourly or per-project rates precisely because, unlike employers, they aren't paying you benefits. For example, a company might pay an employee \$15 per hour to do basic bookkeeping, but pay a freelancer \$25 per hour for the same work.

Before you jump at the chance to earn freelance rates, run the numbers to see how much it would cost you to replace your existing benefits. How much will you have to pay for your own health insurance



coverage? Are there valuable retirement benefits that you will be giving up by working for yourself? (You can still contribute to tax-advantaged retirement accounts—you just won't get any matching funds.) Many freelancers enjoy the luxury of self-employment only because they have spouses with regular jobs—ones that come with employer-sponsored health insurance coverage for the entire family.

Doubling your taxes

Freelancers often end up paying less in taxes than employees with identical incomes. But it might not look that way at first glance. From Uncle Sam's point of view, employees and freelancers are apples and oranges. Employees are taxed one way, freelancers another. Here's how it works:

- Employees pay 6.2% in Social Security taxes, up to a certain salary amount (\$97,500 in 2007). Freelancers, on the other hand, pay twice that: 12.4% in Social Security taxes, up to the same salary limit.
- Employees pay 1.45% in Medicare taxes, while freelancers pay 2.9%.

The reason for the different tax treatment is that employers are legally obligated to match employee Social Security and Medicare taxes. In other words, when you work as someone else's employee, your employer

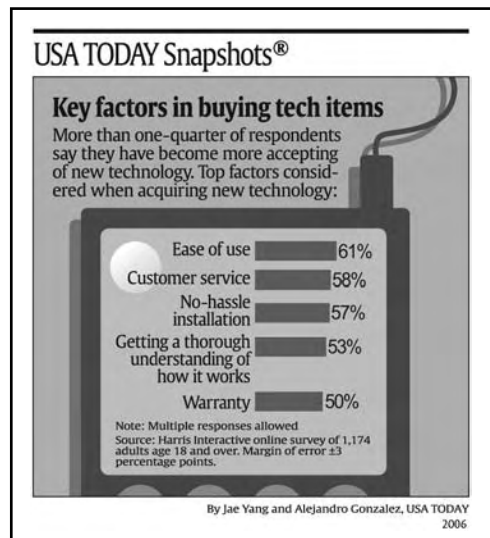
pays half your Social Security and Medicare taxes. Freelancers must pay these taxes in full. They're entitled to certain deductions, but still end up paying substantially more in Social Security and Medicare than their employee friends.

This tax hit can be offset by certain tax benefits available to the self-employed, such as the home office deduction and other business deductions, described later in this chapter. Freelancers can also contribute to retirement plans for the self-employed, such as SEP-IRAs, which have valuable tax advantages. And this is another reason employers may be willing to pay freelancers higher hourly and project rates.

Discovering your inner bookkeeper

You'll have to learn to keep track of your time and your work, and bill your clients accordingly. You'll also have to record your expenses, such as phone bills, office supplies, and postage, so you can claim deductions at tax time. You'll even be in charge of making quarterly estimated tax payments to Uncle Sam, to make up for the fact that none of your income is being withheld by an employer.

Collectively, these bookkeeping and tax obligations can munch up a lot of time. And if you let your administrative tasks slip, you might not get paid in full or on time, or you may get into hot water with the IRS. You'll need to become more organized than you perhaps ever thought possible.



Finding That First Freelance Job

Generating business will be an ongoing part of your life as a freelancer, but finding your first assignment may be your single biggest challenge. For many freelancers, their first and best client is their current or most recent employer. For example, a lawyer who handled a lot of court appearances as a law firm associate might enter into a contract with the same firm for research and writing tasks. You'll also need to rely on your network of contacts and prior employers. Flip through your Rolodex (or Palm Pilot) and see who might need your services or might know others who would. Don't be shy about casting a wide net.

Send potential clients or good contacts a formal letter of introduction or, better yet, a brochure describing your services, background, experience, and other relevant information. Have business cards printed that reflect your new status, and include a card with the information packet you send out. Attractive business cards aren't expensive, and they show you're serious about your business.



TIP

Leave out the dollar signs. Don't list your hourly or per-project rate in your letter or brochure. This will leave you room to negotiate your rates according to the nature of each assignment.

About a week after you've mailed out your information packets, follow up with an email or a phone call. Some people may tell you that they have absolutely no need for your freelance services. Others may say that they'll keep you in mind. Jot down the names of anyone who indicates even the tiniest bit of interest and follow up again in a couple of months. Don't make a pest of yourself; just let the contact know you're still available if an appropriate project comes up.

If you're breaking into a freelance field in which you have no contacts, your best bet is to visit online job boards that cater to freelancers: Elance (www.elance.com), SoloGig (www.sologig.com), Guru (www.guru.com), and HotGigs (www.hotgigs.com). Also search for the word "freelance" on mainstream job boards like Monster (www.monster.com), CareerBuilder (www.careerbuilder.com), Yahoo! Hot Jobs (www.hotjobs.yahoo.com), and Craigslist (www.craigslist.org).

Setting Rates

Scoring quality assignments is only half the battle. You also need to set appropriate freelance rates so that you earn a fair profit after paying all of your business expenses.

Freelancers usually get paid in one of two ways: by the hour or by the project. Negotiating a good hourly rate is the safest bet, because you won't bear the risk that the project will take longer than expected. Then again, fixed-fee arrangements can prove lucrative if you're an unusually speedy worker—and they're sometimes reassuring for the company that hires you, as it tries to set a predictable budget. If an employer seems wary of an open-ended hourly fee arrangement, you might want to suggest a cap on your hours. For example, you might propose that if the project takes longer than the eight hours you expect, you will contact the employer before putting in any more time on it.

No matter how you charge, be careful not to undersell yourself. Remember, the hours you spend on a project don't represent your whole investment in it. You'll also have to pay all of your overhead and business expenses, from Internet access to Post-it notes. And then you'll have to cover your own benefits, like health insurance. Your own time is valuable too, and you'll be spending a lot of it on unpaid tasks like billing and marketing. These must all be factored in when setting your rates, whether fixed or hourly.

Setting an hourly rate

Although you have the power to set whatever hourly rate you feel is fair, don't expect to get hired at \$80 per hour if every other freelancer in town charges \$40 for the same work. Research other freelancers' rates by perusing the online job boards or, better yet, talking to them personally. In setting your rate, consider whether or not you have the skills, experience, or contacts that would let you charge more than others.

Once you've set your hourly rate, make sure you'll be able to make it financially as a freelancer. To do this, figure out the total number of

*In case you take your job overseas:
The word for freelance in French
is travailleur; in German is
freiberuflich (say that ten times
fast); in Hungarian is szabadúszó
(try saying that at all); and in
Italian is autonomo.*

hours you plan to work each week on average. Separate out your nonbillable hours (the time you'll need to run your business and take care of things like bookkeeping) from your billable hours. You should figure that 25% to 35% of your working hours will be spent on nonbillable tasks. Then multiply your weekly billable hours by your hourly rate. This will give you

the total amount you'll earn each week. Multiply this by the number of weeks you plan to work each year and you will get your total annual income. This should be more than you would expect to earn as a salaried employee. That's because you're not done yet. Subtract from this the estimated annual overhead for running your business (your expenses) and the value of any benefits you are giving up or would normally receive as an employee. Now you've got a realistic idea of how much net profit (your income less expenses) you'll make as a freelancer.

If this doesn't put you in the ballpark of what you need to make, you'll have to make some adjustments, either to your rate or the number of hours you plan to work.

Setting fixed project fees

With a fixed fee, you bear all the risk that the project will drag on for longer than expected. Before setting the fixed fee, carefully review the proposed project so that you understand what's involved and how long it should take—factoring in plenty of room for error. You'll also want to clearly spell out, in writing, the scope of the project. That way it will be obvious if you are asked to do work that goes beyond the original project—and should accordingly be paid more.



TIP

Cap your risk. One way you can protect yourself from runaway fixed-fee projects is by placing a cap on the total number of hours you'll work.



RESOURCE

For more information on how to set your hourly rate or fixed project fees, see [*Working for Yourself: Law & Taxes for Independent Contractors, Freelancers & Consultants*](#), by Stephen Fishman (Nolo).

Entering Into Client Agreements

Whenever you take on a freelance assignment, it's essential to get the terms in writing. Discussing and drafting a written agreement will avoid misunderstandings and differing recollections regarding key issues like project scope and pay.

The issue may arise in different ways:

- For short, simple assignments, you'll need to write your own simple letter agreement (there's a sample below).

- For longer assignments, you'll want to write up a comprehensive contract, covering issues like liability and dispute resolution. For detailed information on drafting your own contract, see *Working for Yourself: Law & Taxes for Independent Contractors, Freelancers & Consultants*, by Stephen Fishman (Nolo).
- If a client presents you with its own form agreement to sign, you need to know how to review it for fairness and accuracy (more about this below also).

Basic letter agreements

A brief letter agreement is often all you need. It should include:

- a detailed description of the project or services you'll perform
- any deadline for completing your assignment
- the schedule of hours you'll work each week, if applicable
- the hourly rate or fixed fee you will charge, and
- how and when you'll be paid.

Make two copies. Both you and the person who's authorizing the work should sign and date the letter.



TIP

See Exhibit A. To keep your letter agreement short and sweet, it may make sense to detail the scope of the work in a separate document, attached as Exhibit A. Then state in the letter that you will perform the services described in Exhibit A of the agreement.

Sample Letter Agreement

February 1, 20xx
Jerry Wellhead
Vice President
Acme Oil Co.
1000 Greasy Way
Tulsa, OK 10000

Dear Jerry:

I am pleased to have the opportunity to provide my services.
This letter will serve as our agreement.

I will perform the following services on your behalf: I will create a marketing plan for the rollout of Acme's new oil additive called Zotz. The plan will include guidelines for magazine, radio, and television advertising. I agree to complete these services on or before March 1, 20xx.

In consideration of my performance of these services, you agree to pay me \$5,000. I will be paid in two installments. The first installment shall be \$2,500 and is payable by February 5, 20xx. The remaining \$2,500 will be paid within 30 days after notifying you that I have completed my services.

If this agreement meets with your approval, please sign below to make this a binding contract between us. Please sign both copies and return one to me. Keep one signed copy for your records.

Sincerely,

Susan Maloney
Agreed to: Acme Oil Co.

By: _____
Signature

Jerry Wellhead
Title: Vice President
Date: _____

More comprehensive contracts

If you're hired by a client for a complex project or for one that will last many months, you'll need a written agreement that clearly defines the scope of your assignment and establishes your status as an independent contractor for tax purposes.

If you want to draft your own agreement from scratch, you'll find step-by-step instructions in *Working for Yourself: Law & Taxes for Independent Contractors, Freelancers & Consultants*, by Stephen Fishman (Nolo). You can also find sample freelance agreements tailor-made for different occupations in *Consultant & Independent Contractor Agreements* (Nolo), also by Stephen Fishman.

Reviewing a client's agreement

Many clients, especially those that deal with freelancers regularly, will present you with a form agreement to sign. Expect such agreements to be carefully structured with the client's best interests in mind, not yours. Go over the document with a fine-toothed comb. You'll first want to make sure that all of the key terms—such as your pay rate, project deadline, and payment schedule—are in line with what you negotiated. No matter what you and the client might have discussed in person, the written agreement wins in a dispute. You'll also need to confirm that the client's agreement includes everything it should. At a minimum, it should state:

- your name and address
- the client's name and address
- the date the contract begins and ends
- a complete and accurate description of the services you'll perform
- how much you'll be paid, and
- how often you'll be paid.

Finally, check the client's agreement for unfair clauses that could end up costing you money down the line. Here are some things to look out for:

Indemnification clauses. These are provisions that require you to indemnify the client for losses arising out of the services you perform, trouble with tax agencies over your independent contractor status, or intellectual property disputes connected to your work. You can spot these clauses by looking for the word “indemnify” or the phrase “hold harmless.” If at all possible, delete these clauses entirely from the agreement. If the client isn’t willing to go that far, negotiate a liability cap that limits your exposure to a specified amount.

Make Sure You’re Properly Insured

Proper business insurance coverage can be the key to your survival in the event you’re ever sued in connection with your freelance work. There are two different types of liability insurance—general liability insurance and professional liability insurance. You may need both types of coverage.

Incorporating your business or forming an LLC can give you some protection from lawsuits, but not as much as you may think. For example, unless you have insurance, you can still be personally liable if someone is injured because of your malpractice or negligence, and your assets can still be taken to satisfy a court judgment an injured person obtains against you.

For more information on your insurance needs as a freelancer—including health, liability, and property insurance—and where and how to obtain it, see *Working for Yourself: Law & Taxes for Independent Contractors, Freelancers & Consultants*, by Stephen Fishman (Nolo).

Noncompetition provisions. Any provision that limits your ability to perform similar services for the client’s competitors could stop your freelance career dead in the water. The most you should ever agree to is to refrain from performing identical services for a specified list of the client’s competitors while working for that client.

Confidentiality provisions. It's important that you be able to give future clients general information about projects you've worked on. If your agreement contains an overly broad confidentiality provision, you may not be able to market your services or work for the client's competitors without fear of violating the contract. If you can't delete this from your contract, make sure the provision is reasonable in scope and defines precisely what information you must keep confidential. Also, it should last for a limited time, one or two years preferably.

A "time is of the essence" clause. This means that if you're the slightest bit late on your deadline—even for a justifiable cause—the client is entitled to terminate the contract without paying you and to sue you for damages. Delete this from your contract if you need any time flexibility with your work.

A terminate "at will" provision. You don't want the client to have the right to cancel your agreement for any reason or no reason at all. If the client insists on this provision, make sure that the agreement gives you the same right to cancel and entitles you to payment for any services you've performed up to that point.

Negotiating changes to a form agreement can be challenging. But once you and the client come to agreement, making the changes legally binding is simple. You can delete provisions by just crossing them out. You can add new wording by simply handwriting the new language on to the document. Both you and the client must initial in the margins wherever changes are made.

**TIP**

Tack on a rider. If you make many lengthy changes to the client's agreement, it's best to type up the new language and attach it to the original as a rider. The rider should state that in the event of a conflict between the contract and the rider, the language in the rider prevails.

Qualifying as an Independent Contractor

To Uncle Sam, the question of whether you're an independent contractor or an employee is significant. Companies that hire employees have burdensome tax obligations. For example, an employer must pay half of an employee's Social Security and Medicare taxes and withhold taxes from an employee's paycheck. There are no such obligations involved when a company hires freelancers, referred to for tax purposes as "independent contractors."

Not surprisingly, the IRS prefers workers to be classified as employees. The agency has drafted strict rules about who qualifies as an independent contractor, including penalties for companies that misclassify their employees.

The test for whether a worker is an employee or an independent contractor is the "right of control." If a company has the right to direct and control how you work—including the details of when, where, and how you perform the work—the IRS will consider you to be an employee and not an independent contractor.

You're most likely to run into classification problems if you work full time for a single client at the client's offices. If you work at home a few hours a week for many different clients, your independent contractor status isn't likely to be questioned.

Technical services workers, like computer programmers and systems analysts, are subject to special rules making it more difficult for them to qualify as independent contractors. If you fall into this category, you might be able to get around the problem by forming a corporation or a limited liability company (LLC). Companies are often more willing to hire one-person corporations or LLCs than individual technical workers for fear of running afoul of the IRS rules.

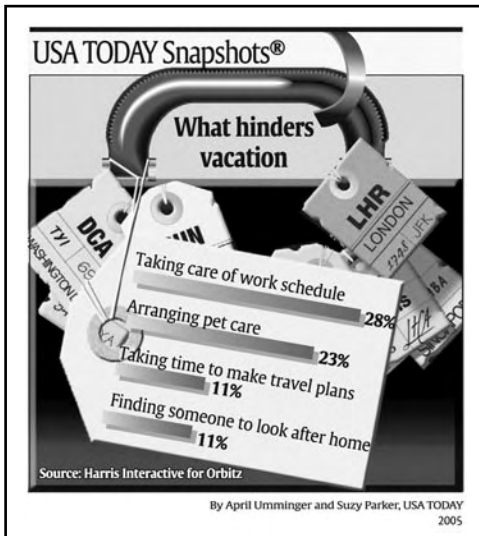
You can learn more about the rules governing independent contractor classification in *Working for Yourself: Law & Taxes for Independent Contractors, Freelancers & Consultants*, by Stephen Fishman (Nolo).

Taxes for Freelancers

When you become a freelancer, your tax situation changes dramatically. As a regular employee, you probably didn't need to worry much about taxes. Your employer withheld taxes from your paychecks, paid the money to the IRS and state tax department, and you filed tax returns each year to reclaim some of your money or add more to the government coffers.

As a freelancer, you have no employer to pay your taxes for you; you must pay them directly to the IRS and your state. This requires paying

taxes not once but four times a year, something you may have never done before. And it will be up to you to calculate how much you owe. (An accountant or tax preparation software can do this for you.) To make these filings, you'll also need to keep accurate records of your business income and expenses. And the tax return you must file at the end of each tax year will likely be more complicated than the ones you filed when you were an employee.



Federal and state taxes

You must pay both federal and state taxes, but the federal government takes the biggest bite. Federal taxes include:

- income tax
- self-employment tax, and
- employment tax.

Everyone who earns more than a minimum amount must pay income tax. Unless you've formed a regular C corporation, you'll have to pay personal income tax on the profits your business earns. If you're one of the few freelancers who have formed a C corporation, you'll be an employee of your corporation and you'll pay income tax on the salary you earn. The corporation will file its own separate tax return.

Self-employed people are entitled to Social Security and Medicare benefits when they retire, just like employees. And just like employees, they have to pay Social Security and Medicare taxes to help fund these programs. These taxes are called self-employment (SE) taxes. Anyone who has net yearly earnings from self-employment of \$400 or more must pay SE taxes.

Life would be too simple if you only were required to pay federal taxes. But, states get into the act as well, and depending on which state you live in, the income tax rate can range from 3% to 11%.



RESOURCE

For more information on taxes for freelancers, visit the IRS website at www.irs.gov. There you can download all IRS publications including Publication 334, *Tax Guide for Small Business*. For a link to your state tax agency, go to www.taxsites.com/state.html.

State sales tax

Almost all states and many municipalities impose sales tax of some kind. The only states without sales tax are Alaska, Delaware, Montana, New Hampshire, and Oregon. All states that have sales tax impose it on sales of goods or products to so-called “end users”—people who purchase their products. If you provide only services to clients or customers, you probably don't have to worry about sales taxes. Most states don't tax services at all or tax only certain specified services. Notable exceptions are Hawaii, New Mexico, and South Dakota—they all impose sales tax on all services, subject to certain exceptions.

If the products or services you provide are subject to sales tax, you'll have to get a state sales tax number. To find out how to apply for a number, contact your local tax office or chamber of commerce or check your state's official website. Many states impose penalties if you make a sale before you obtain a sales tax number. Generally, you pay sales taxes four times a year, but you might have to pay monthly if you make a lot of sales.

When You Become the Employer

If you hire employees, you'll have to keep lots of records and file quarterly and annual employment tax returns with the IRS. You'll have to pay federal employment taxes, which consist of half your employees' Social Security and Medicare taxes and an additional tax called the federal unemployment tax ("FUTA"). You must also withhold half your employees' Social Security and Medicare taxes and all their income taxes from their paychecks. These taxes you must pay monthly, by making federal tax deposits at specified banks. You may also deposit them directly with the IRS electronically.

If you live in a state that imposes income tax, you'll likely have to withhold state income taxes from your employees' paychecks and pay the money over to your state tax department. You'll also have to provide your employees with unemployment compensation insurance by paying state unemployment taxes to your state unemployment compensation agency.

For more information on your tax duties as an employer, see [*The Employer's Legal Handbook*](#), by Fred Steingold (Nolo).

Reporting your income to the IRS

When you're self employed, no income tax is withheld from your compensation, and you don't receive a W-2 form. However, this doesn't mean that the IRS doesn't have at least some idea of how much money you've made. For one thing, if a client or customer pays you \$600 or more over the course of a year, the client must report the payments by completing and filing IRS Form 1099-MISC with:

- the IRS
- your state tax office (if your state has income tax), and
- you.

To make sure you're not underreporting your income, IRS computers check the amounts listed on all the 1099 forms it receives from your clients or customers against the amount of income you report on your tax return. If the amounts don't match, you have a good chance of being flagged for an audit.

Your clients need not file any 1099 form if you've incorporated your business and the client hires your corporation, not you personally. This is one reason clients often prefer to hire incorporated businesses—and not just because it saves them filling out a form. The IRS uses Form 1099 as an important audit lead. If a company files more 1099 forms than average for its type of business, the IRS is likely to conclude that it must be misclassifying employees as independent contractors and conduct an audit.

Only businesses, as opposed to regular people, need to file a Form 1099 for payments they make to you. For example, if you help fix your neighbor's computer or are someone's regular massage therapist, they don't need to worry about filing these forms, even if they do pay you more than \$600 in a year. Nor are your clients or customers required to report payments to you solely for merchandise or inventory.

You don't have to file the 1099s you receive with your tax returns. Just keep them in your records.



TIP

Make sure your 1099s are correct. You should receive all your 1099 forms for the year by January 31 of the next year. Check the amounts your clients say they paid you against your own records. If you find a mistake, call the client immediately and request that a corrected Form 1099 be sent to both you and the IRS. You don't want the IRS to think you've been paid more than you really were.

Tax deductions for freelancers

If you're like the vast majority of freelancers, you'll have to pay personal federal income tax on the net profit you earn from your business activities. This is true whether you operate your business as a sole proprietorship, S corporation, partnership, or limited liability company. The only exception is if you've formed a C corporation, something few home-based freelancers do.



RESOURCE

For information on how to choose the best legal form for your business, see [*Working for Yourself; Law & Taxes for Independent Contractors, Freelancers & Consultants*](#), by Stephen Fishman (Nolo).

The key phrase here is “net profit.” You're entitled to subtract all of your business-related expenses from your gross income—that is, from all the money or valuable items you receive from your clients or customers. You pay income tax on the resulting net profit, not your gross self-employment income. So, for example, if you earned \$50,000 this year from your consulting business and had \$15,000 in business expenses, you would pay taxes on your net profit of \$35,000—not your gross income of \$50,000.

Gross income	\$50,000
Business expenses	– \$15,000
Net profit	\$35,000

Virtually any expense is deductible as long as it is:

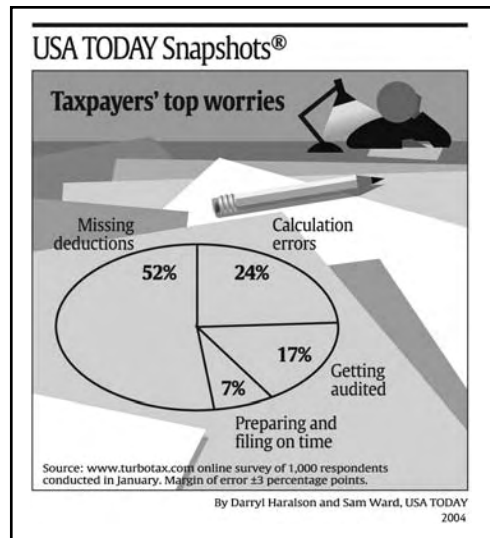
- ordinary and necessary
- directly related to your business, and
- for a reasonable amount.

Ordinary and necessary. An expense qualifies as ordinary and necessary if it is common, accepted, helpful, and appropriate for your business or profession. An expense doesn't have to be indispensable to be necessary; it need only help your business in some way, even in a minor way. It's usually fairly easy to tell whether an expense passes this test.

Let's say, for example, that you're a freelance writer and hire a research assistant at \$15 an hour. This is clearly a deductible business expense. If, however, you also pay a masseuse every week to work on your bad back, this is not an ordinary or customary expense for a writer.

The IRS would not likely allow it, no matter how much you say it helps you concentrate on your writing.

Related to your business. An expense must be related to your business to be deductible. That is, you must use the item for your business in some way. If you buy something for both personal and business reasons, you may deduct the business portion of the expense. For example, if you buy a home computer and use it half the time for business and half the time to play games, you can deduct half the cost as a business expense. The cost of a single phone line (whether a land line or cell



phone) is not deductible because the IRS figures you'd have to pay for it anyway. You can, however, deduct charges for business long-distance phone calls on that line. You can also deduct the entire cost of a second phone line (a cell phone or land line) that's used exclusively for business.

**TIP**

Mixing business and personal use can become a bother. The IRS requires you to keep records showing when the item was used for business and when for personal reasons. You might, for example, need to keep a diary or log showing the dates, times, and reason the item was used. For low-cost items, it might be easier to just buy two, one for business use and one for personal use.

Deductions must be reasonable. In theory, you can deduct as much as you want—with no limit—so long as you're not inflating the amounts you actually spent and the amounts were reasonable under the circumstances. Certain areas, however, such as entertainment, travel, and meal expenses, are hot buttons for the IRS. The IRS imposes restrictions on these deductions. For example, you can deduct only 50% of your business entertainment or meal expenses.

Also, if the amount of your deductions is very large relative to your income, your chance of being audited goes up dramatically. One recent analysis of almost 1,300 tax returns found that people whose business deductions exceeded 63% of their revenues were at high risk for an audit. You're relatively safe so long as your deductions are less than half of your revenue. Just make sure you can document your deductions in case you're ever audited.

Common deductions for freelancers

- ☐ advertising costs—like a Yellow Pages ad or a brochure
- ☐ attorney and accounting fees for your business
- ☐ bank fees for your business bank account
- ☐ business start-up costs
- ☐ car and truck expenses
- ☐ costs of renting or leasing vehicles, machinery, equipment, and other property used in your business
- ☐ depreciation of business assets
- ☐ education expenses—for example, the cost of attending professional seminars or classes required to keep up a professional license
- ☐ expenses for the business use of your home
- ☐ fees you pay to other independent contractors who help your business—such as a marketing consultant
- ☐ health insurance for you and your family
- ☐ insurance for your business—for example, liability, workers' compensation, and business property insurance
- ☐ interest on business loans and debts—for example, interest you pay for a bank loan you use to expand your business
- ☐ license fees—for example, fees for a local business license
- ☐ office expenses, such as office supplies
- ☐ office utilities
- ☐ postage
- ☐ professional association dues
- ☐ professional or business books you need for your business
- ☐ repairs and maintenance for business equipment, such as a photocopier or fax machine
- ☐ retirement plan contributions
- ☐ software you buy for your business
- ☐ subscriptions for professional or business publications
- ☐ travel, meals, and entertainment, and
- ☐ wages and benefits you provide your employees.

Inventory: Not a Business Expense

Many freelancers sell personal services, not goods, to their clients or customers. However, if you also regularly charge clients for materials and supplies—for example, you’re a consultant who also sells clients a book you’ve written—you must maintain an inventory for tax purposes. You can’t deduct inventory costs in the same way as other costs of doing business. You have to wait until individual goods are actually sold during a tax year to deduct their cost. For more information on this rather complex tax topic, see [Deduct It!](#), by Stephen Fishman (Nolo), IRS Publication 334, *Tax Guide for Small Business*, and IRS Publication 538, *Accounting Periods and Methods*.

Claiming your deductions

Some expenses can be deducted all at once; others must be deducted over a number of years. It all depends on how long the item you purchase can reasonably be expected to last. This is what the IRS calls its useful life.

The cost of anything you buy for your home business that has a useful life of less than one year may be fully deducted in the year you buy it. This includes, for example, business telephone bills, photocopying costs, postage, and other ordinary business operating costs. Such items are called current expenses.

Certain types of costs, called capital expenses, are considered part of your investment in your business rather than operating costs. Subject to the important Section 179 exception (discussed below), you must deduct the cost of these expenses over several years.

The two main kinds of capital expenses are:

- the cost of any asset you will use in your business that has a useful life of more than one year—for example, equipment, vehicles, books, furniture, machinery, and patents, and

- business start-up costs, such as fees for doing market research or attorney and accounting fees paid to set up your business.

However, many capital expenses can be deducted in a single year under Section 179 of the Internal Revenue Code. You can use Section 179 to deduct the cost of anything you use for your business if it's tangible personal property of a type that the IRS has determined will last more than one year—for example, computers, business equipment, and office furniture. For example, if you bought a \$5,000 computer for your business, you could use Section 179 to deduct the entire \$5,000 from your income taxes for the year. You can't use Section 179 for land, buildings, or for intangible personal property such as patents, copyrights, and trademarks.

If you use property for both business and personal purposes, you may deduct the cost under Section 179 only if you use it for business purposes more than half the time. The amount of your deduction is reduced by the percentage of personal use. You'll need to keep usage records.

Businesses that lose money or look like hobbies

If the money you spend on your home business exceeds your business income for the year, your business incurs a loss. This isn't as bad as it sounds, because you can use the loss to offset other income you may have—for example, interest income, or your spouse's income if you file jointly. You can even accumulate your losses and apply them to reduce your income tax in future or past years (by claiming a refund).

However, if you keep incurring losses year after year, be very careful not to run afoul of the hobby loss rule. This tax law could cost you a fortune in additional income taxes. The IRS created the hobby loss rule to prevent taxpayers from, say, making a half-baked effort to be a freelance ski instructor in order to rack up deductible expenses while enjoying their favorite activities. If the IRS views what you do as a hobby rather than an actual business, there will be severe limits on what expenses you can deduct.

What do you have to do to show that your venture is a business? As in acting school, your motivation is key: You must be engaged in this activity to make a profit. (A profit, remember, means that the gross income from your activity exceeds the deductions you take for it.) It's not necessary that you actually earn a profit every year. (Lots of ultimately successful businesses lose money in their early years.) All that is required is that your main reason for doing what you do is to earn money.

You don't have to worry about the IRS labeling your business as a hobby if you earn a profit from it—even if that happens just three times in any five consecutive years.

**TIP**

Careful year-end planning can help your business show a profit for the year. If you're concerned about a loss for tax purposes, take steps before time runs out. For example, if clients owe you money, press for payment before the end of the year. Also, put off paying expenses or buying new equipment until the new year. Such steps will help you show a small profit and avoid audits and hobby-loss arguments.

If you keep incurring losses and can't satisfy the profit test, you by no means have to throw in the towel and treat your venture as a hobby. You can continue to treat it as a business and fully deduct your losses. However, to prepare for a possible audit, you will need to be able to convince the IRS that earning a profit—not having fun or accumulating tax deductions—is your primary motive. The IRS looks at certain objective factors in making this determination, such as whether you act like you're running a business, your expertise, and the time and effort you put into it.

Claiming the home office deduction

A potentially valuable deduction for home-based freelancers, particularly those who rent, is the home office deduction. Don't be fooled by the name; this deduction isn't limited to home offices. You can also take it, for example, if you have a workshop or studio at home.

**TIP**

Home office deduction an audit flag? Many self-employed freelancers are afraid to take this deduction because they think it increases their chances of an audit. The IRS says this isn't so. In any case, you have little to fear from an audit if you're entitled to the deduction.

Qualifying for the home office deduction. To qualify, you must use a portion of your home regularly and exclusively for your home business. Unfortunately, the IRS doesn't offer a satisfactory definition of regular use. The agency has decreed only that you must use a portion of your home for business on a continuing basis—not just for occasional or incidental business. You'll satisfy this test if you use your home office a few hours each day.

Exclusive use means that you use a portion of your home only for business. If you use part of your home as your business office and also use that part for personal purposes, you cannot meet the exclusive use test and cannot take the home office deduction. For example, if you sit at your office desk both for work and to shop online, pay personal bills, and write personal emails, forget the deduction. Or if you use your den only for business, but also have a fold-out couch where guests occasionally stay, you've just lost your deduction because the room isn't used exclusively for business.

You needn't devote an entire separate room in your home to your business. But some part of the room must be used exclusively for business. If, for example, you use part of your living room as an office, separate it from the rest of the room with room dividers or bookcases. The more space you use exclusively for business, the more your home office deduction will be worth.

Satisfying the requirement of using your home office regularly and exclusively for business is only half the battle. You must also meet one of these three requirements:

- your home office must be your principal place of business
- you must meet clients or customers at home, or

- you must use a separate structure on your property exclusively for business purposes.

In most cases, your home office will be your principal place of business, so this requirement will pose no problem.

How much you can deduct. The amount of your deduction depends on the percentage of your home you use for business. To calculate it, divide the square footage of your home office by the total square footage of your home. For example, if your home is 1,600 square feet and you use 400 square feet for your home office, 25% of the total area is used for business.

Alternatively, if all the rooms in your home are about the same size, figure the business portion by dividing the number of rooms used for business by the number of rooms in the home. For example, if you use one room in a five-room house for business, 20% of the area is used for business.

If you're renting your space, the home office deduction can be quite valuable. You get to deduct part of your rent—a substantial expense that is ordinarily not deductible. You can also deduct the expenses described under “Indirect Expenses to Include in Your Home Office Deduction,” below.

If you own your home, you're allowed to deduct your depreciation, mortgage interest, and property taxes. This isn't such exciting news, however, given that you were already allowed to deduct your mortgage interest and property taxes. But homeowners may, in addition, deduct the various direct and indirect expenses described below.

You may also deduct the entire cost of what you spend just for your home office. The IRS calls these direct expenses. They include, for example, painting your home office or paying someone to clean it, or buying a lamp and a rug for the office.

There is an important limitation on the home office deduction: It may not exceed the net profit you earn from your home office.

Indirect Expenses to Include in Your Home Office Deduction

Both owners and renters may deduct a percentage of their expenses for keeping up and running an entire home. The IRS calls these indirect expenses. They include:

- utility expenses for electricity, gas, heating oil, and trash removal
- homeowners' or renter's insurance
- home maintenance expenses that benefit your entire home including your home office, such as cleaning, roof and furnace repairs, and exterior painting
- condominium association fees
- snow removal expenses
- casualty losses if your home is damaged—for example, in a storm, and
- security system costs.



TIP

Keep good home office records. Be sure to keep copies of all your bills and receipts, such as your:

- IRS Form 1098 sent by whoever holds your mortgage, showing the interest you paid for the year
- property tax bills
- utility bills, insurance bills, and receipts for payments for repairs to your office area, and
- a copy of your lease and your canceled rent checks, if you're a renter.

Special concerns for homeowners who take the home office deduction.

Ordinarily, profit you make when you sell your home—up to \$250,000 for single taxpayers and \$500,000 for married taxpayers filing jointly—is not subject to capital gains tax. However, if you take the home office deduction, this rule doesn't apply to the portion of your house that you use for business. Instead, your house is treated as two separate properties for tax purposes.

You'll have to pay 20% capital gains tax on the profit you earn from the portion of your house used as a home office. For example, if 20% of your house was used as a home office, you'd have to pay tax on 20% of your home-sale profit. If your home has gone up in value dramatically since you bought it, you'll have a huge tax bill.

You'll also have to pay tax on any depreciation you took on your home office.

To avoid this tax trap, you must use your entire home as your principal residence for at least two of the five years preceding the year of sale. So if you plan on moving, it's best not to use a home office (or at least, not to take the deduction) for least two years before the date of sale. And if you think you might need to move on short notice, your safest tax strategy is to not take the home office deduction.

Filing your estimated and annual taxes

By April 15 of each year, you'll have to file an annual income tax return with the IRS showing your income and deductions for the previous year and how much estimated tax you've paid. You must file IRS Form 1040 and include a special tax form in which you list all your business income and deductible expenses. Most freelancers use IRS Schedule C, *Profit or Loss From Business*. You must also include IRS Form SE, showing how much self-employment tax you were required to pay.

Tax matters are more complicated if you incorporate your business. If you form a regular C corporation, it will have to file its own tax return and pay taxes on its profits. You'll be an employee of your corporation; you'll have to file a personal tax return and pay income tax on the salary.

If you have employees, you'll have to keep lots of records and file quarterly and annual employment tax returns with the IRS. When you hire other self-employed people, however, you don't have to pay any employment taxes. You need to report payments only if they're over \$600 for business-related services to the IRS and to your state tax department if your state has income taxes.

State taxes. You'll also have to file an annual state income tax return with your state tax department. In all but six states—Arkansas, Delaware, Hawaii, Iowa, Louisiana, and Virginia—the return must be filed by April 15, the same deadline as your federal tax return.

Paying estimated taxes. Federal income and self-employment taxes are pay-as-you-go taxes. You must pay these taxes as you earn or receive income during the year. Unlike employees, who usually have their income and Social Security and Medicare tax withheld from their pay by their employers, freelancers normally pay their income and Social Security and Medicare taxes directly to the IRS. These tax payments, called estimated taxes, must be made if you expect to owe tax of \$1,000 or more when you file your return for the year.

Estimated tax payments must usually be made four times every year on IRS Form 1040-ES, on April 15, June 15, September 15, and January 15. If you freelance part-time and have a job, you could have your employer increase your withholding instead of paying estimated taxes yourself. You have to figure out how much you owe in estimated taxes each year—the IRS won't do it for you.



RESOURCE

On every freelancer's bookshelf. If you decide to build a career as a work-at-home freelancer, you'll want a copy of attorney Stephen Fishman's book, *Working for Yourself: Law & Taxes for Independent Contractors, Freelancers & Consultants* (Nolo). The book discusses the nitty-gritty details of the freelance life, from choosing a business structure to entering into client agreements to paying estimated taxes.

Important Tax Dates for the Self-Employed

The dates listed below represent the last day you have to take the action described. If any of the dates fall on a holiday or weekend, you have until the next business day.

Tax Calendar

Date	Action
January 15	Your last estimated tax payment for the previous year is due.
January 31	If you file your tax return by now, you don't have to make the January 15 estimated tax payment. If you hired independent contractors last year, you must provide them with Form 1099-MISC.
February 28	If you hired independent contractors last year, you must file all your 1099s with the IRS.
March 15	Corporations must file federal income tax returns.
April 15	You must file your individual tax return with the IRS and pay any tax due. Or, you can pay the tax due and file for a six-month extension of time to file. You must also make your first estimated tax payment for the year. Partnerships must file an informational tax return. State individual income tax returns are due in most states.
April 20	Individual income tax returns are due in Hawaii.
April 30	Individual income tax returns are due in Delaware, Iowa, and Virginia.
May 15	Individual income tax returns are due in Arkansas and Louisiana.
June 15	Make your second estimated tax payment for the year.
September 15	Make your third estimated tax payment for the year.
October 15	Last date to file income taxes for prior year if you obtained an extension to file.



Telework and Taxes

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Teleworkers may leave the office behind, but they still have to deal with taxes. In this chapter, we'll look at how your tax life changes when you're an at-home employee. In some ways, much remains the same. Your employer continues to deduct income taxes and Social Security from your paycheck. But there are important differences as well—like tax deductions you can take for home office expenses and unreimbursed job expenses.



CROSS REFERENCE

This chapter covers tax information for at-home employees, not freelancers. For information about tax issues related to freelancers, see Chapter 6.

Paying for Your Work-Related Expenses

As a work-at-home employee, you will no doubt have some job-related expenses that you will want your employer to pay for. These expenses might include costs for items such as professional dues, supplies, a computer (possibly), and other work-related necessities. Exactly which costs your employer will cover will depend on your circumstances and what you negotiated as part of your telework arrangement (see Chapter 4).

However, in addition to deciding which expenses your employer will cover, you must also figure out how your job-related expenses will get paid. Basically, there are three ways you can pay these costs and each of the arrangements has significant tax consequences—some more favorable to you than others. It's important to understand your choices and, in some cases, the rules you must follow.

Basically, there are three ways you can pay these costs:

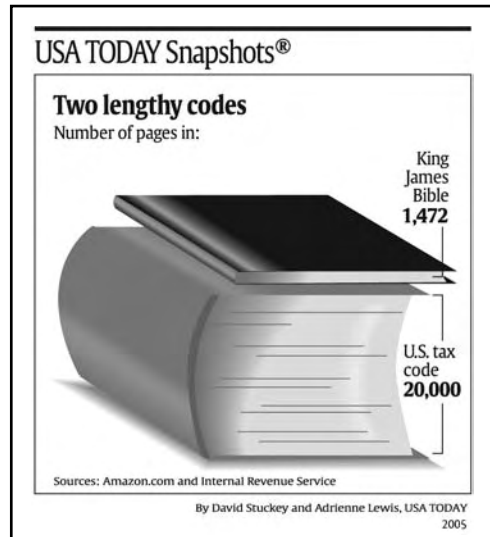
- Your employer can pay the expense directly
- You can pay them and get reimbursed by your employer, or
- You can pay them and deduct the cost.

Having your employer pay directly is always best. Use a company credit card or have your employer billed directly for the expense.

If you do pay for something out of your own pocket, have your employer reimburse you. As long as the expenses are work-related and you can properly document them, these reimbursements are not taxable income to you. Nor should they be included in the W-2 form your employer files with the IRS showing how much you were paid for the year. Your employer, meanwhile, gets to deduct these reimbursements as a business expense.

Some teleworkers get lazy about putting in for reimbursements, figuring that they'll just take a tax deduction for the expense. Don't do this! If your employer's policy is to reimburse you for these expenses, but you fail to claim them, you won't—repeat, you will not—be allowed to deduct them from your taxes. You'll be out-of-pocket for the whole payment you made.

If your employer won't reimburse you for work-related expenses, then you can deduct your job expenses when you file your personal income tax return. But a deduction lets you recoup only part of the expense. For example, if you spend \$1,000 on a computer that you're going to use exclusively for business and deduct it as an unreimbursed job expense, you'll get at most a \$1,000 deduction. If you're in the 28% tax bracket, you'll save \$280 on your federal income tax. The computer ends up costing you \$720. If, on the other hand, your employer had been willing to reimburse you for the \$1,000, the computer would have cost you nothing, because the \$1,000 is not taxable income.



IRS reimbursement rules

The IRS is concerned about employee reimbursements because they involve the employer giving money to an employee—which looks an awful lot like (taxable) income. Yet, no income tax is owed on reimbursements. Because of the potential for abuse, the IRS has imposed rules to make it harder to get reimbursements for business expenses.

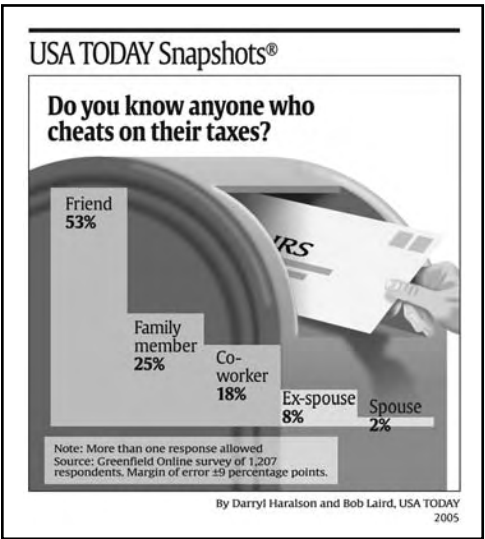
IRS reimbursement rules require you to:

- make an “adequate accounting” of the expense—for example, keep receipts or supply any other appropriate records (except for travel, meal, and entertainment expenses below \$75, or travel and meal expenses paid on a per diem basis)
- submit your expense report and receipts to your employer in a timely fashion, and
- promptly return any payments that exceed what you actually spent for job expenses.

If you fail to follow these rules, your employer must treat the reimbursement paid to you as income subject to tax and to include the

amount on your W-2. You’ll then have to deduct the expense on your personal tax return as described below.

What if you seek reimbursement for something that you buy for both work and personal use? You must include the fair market value of the personal use of the item as part of your compensation. That is, your employer must add the value of your personal use of the item to the compensation shown on



your W-2 form, and you must pay tax on it. For example, if your employer reimburses you for a \$2,000 computer that you purchase and use 100% for work, the reimbursement is tax-free to you. But if you use the computer only 50% of the time for work and the other 50% for personal purposes, you'll have to pay income tax on 50% of its fair market value.

Deducting your unreimbursed work expenses

If your employer won't pay or reimburse you for some of your work-related expenses, you might be able to claim them as personal, itemized deductions on your personal income tax return. They are subject to the same rules and limitations as business expense deductions for self-employed people. (There's a detailed discussion of business expenses in Chapter 6.) The most important rule is that the expenses are deductible only if they are ordinary, necessary, and reasonable.

Because you are an employee, your unreimbursed business expenses are deductible only to the extent that they (along with your other miscellaneous deductions) exceed 2% of your adjusted gross income ("AGI"). Other possible miscellaneous itemized deductions include investment expenses, tax preparation fees, hobby expenses, and a few others. Your AGI is your income after adjustments to income and business deductions have been subtracted.

It works like this: Assume your AGI is \$50,000 and your only itemized deduction is \$1,500 you spent on a sales trip that your company won't reimburse you for. First, you figure out your limitation, which is \$1,000 (2% of \$50,000). You can deduct your business expenses only to the extent they exceed \$1,000—which means you can deduct only \$500 of your \$1,500 business expense.

Because of this rule, the higher your AGI, the fewer expenses you'll be able to deduct. It doesn't seem fair, does it?

The Home Office Deduction

If you're lucky enough to qualify for it, the home office deduction allows you to deduct many of the costs associated with working from home, like your rent or mortgage, utility bills, homeowners' or renter's insurance, and home maintenance and repairs. Ordinarily, these costs are considered personal expenses and are not deductible (except for mortgage interest). However, if you qualify for the home office deduction, such costs are deductible to the extent they are related to the business use of your home. Most teleworkers don't qualify for the home office deduction.

The "convenience of the employer" requirement

You may take the home office deduction only if you maintain your home office for the convenience of your employer. This is a tough one for most people who request the option of teleworking. An employee's home office is deemed to be for an employer's convenience only if it is:

- a condition of employment
- necessary for the employer's business to properly function, or
- needed to allow the employee to properly perform his or her duties.

You'll fail this IRS test if you're using a home office simply because it's convenient for you or because you can get more work done at home. For example, you won't pass the test if your company provides you with an office at its main location but you choose to work at home most of the time to avoid a long commute.

The only way you can pass the convenience of the employer test is if your employer has no suitable office space for you, you work in a location where your employer has no office, or if there is some other valid business reason why you must work at home. If, for example, you live in Tucson, Arizona, and your company has offices only in Chicago, you will pass the test.

If you manage to qualify for the home office deduction, the IRS imposes limits on how much you can deduct. As a result, your home office expenses are deductible only to the extent that they (along with

your other miscellaneous deductions) exceed 2% of your adjusted gross income. You can deduct the costs on your own tax return.



CROSS REFERENCE

Need more information on the home office deduction? If you're lucky enough to qualify for the home office deduction, see "Claiming the home office deduction" in Chapter 6 for detailed information on the rules about qualifying for—and claiming—the deduction.

Renting your home office to your employer

If you qualify for the home office deduction but the 2% of AGI rule reduces your deduction too much (or eliminates it entirely), you have another option. Forget about the home office deduction and rent your home office to your employer. You won't save any income tax this way because your rental income will be subject to income tax, but you can still save on Social Security and Medicare taxes.

Here's how it works. You rent your home office to your employer for a fair market value, and your employer reduces your salary by this amount. Your employer then deducts the rent as a business expense on its tax return. You report the rent you receive as ordinary income on your personal tax return and pay income tax on it. But you don't pay Social Security or Medicare taxes on this rental income, which you would have to pay if it was part of your salary.

Ordinarily, a landlord may deduct rental expenses such as mortgage interest, depreciation, and utilities. However, a special tax rule prohibits an employee who rents part of his or her home to an employer from deducting these types of expenses. So, you can forget about taking any deductions for your rental expenses to reduce your income taxes. But you still save on Social Security and Medicare taxes, because the rental income you receive is not subject to these taxes. Your employee share of Social Security and Medicare taxes is 7.65% up to an annual ceiling (\$97,500 in 2007), plus a 1.45% Medicare tax on all your remaining employee income.

Working for an Employer in Another State

Employees who telework across state lines—in other words, whose homes are in one state while their employers are in another—may owe taxes in two states on the same income. Several states, including New York, New Jersey, and Pennsylvania, have adopted the “convenience of employer” rule. Under this rule, if you telework for an employer in another state, you may be required to pay taxes to both your home state

and the employer’s state on the income you earn working at home. You might be able to obtain a tax credit from your home state for the taxes you pay to your employer’s state. However, you’ll still end up paying more tax if your employer’s state tax rate is higher than that for your home state.

That’s what happened to Thomas Huckaby, a Tennessee-based computer programmer who teleworked for a firm in

Queens, New York. In 1994 and 1995, Huckaby spent 75% of his time working at home in Tennessee and the remaining 25% working in his Queens office. He wanted to apportion his income 75% to Tennessee and 25% to New York. That way, he’d have to pay New York state taxes on only 25% of his income, while Tennessee had no state income tax. New York, however, sought to tax 100% of his income—and won! Relying on the convenience of employer rule, New York taxed Mr. Huckaby on 100% of his income, even though he spent only 25% of his work time in New York.

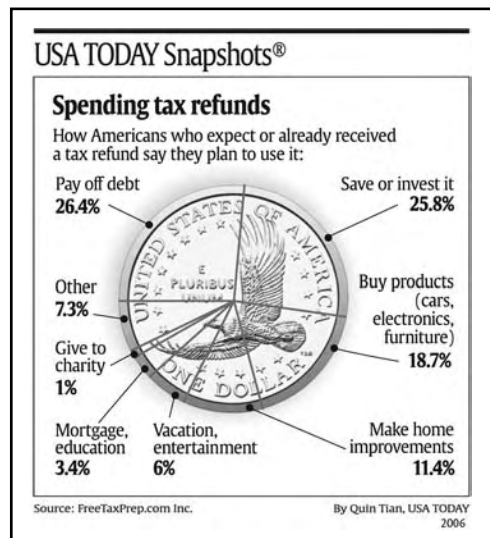


New York enforces the convenience of the employer rule more than any other state. So, if you find yourself teleworking for a New York employer, whether from your home or from a satellite office outside of New York, be prepared to pay a double tax on whatever portion of your income you earn from home. New York does, however, make an exception for nonresident teleworkers who can prove that they're working at home due to employer "necessity."

Filing Your Taxes

You'll find that filing your taxes as a teleworker is much the same as it was as a regular employee. You probably know the drill: Your employer deducts income tax from your paychecks and reports this information to the IRS. Once a year, your employer gives you an IRS Form W-2, *Wage and Tax Statement*, showing your wages and withholding for the year, which you'll include with your income tax return. That allows the IRS to compare the amount of income you report with the amount your employer claims you were paid.

If you have unreimbursed employee expenses, you can list them on IRS Schedule A as itemized deductions. You would not report any reimbursed job-related expenses you received from your employer, and your employer wouldn't report those payments to you as income (on your W-2). If you get reimbursements for work-related expenses, you don't report them as income, although your employer can deduct the payments to you as a business expense. ●



Strategies for Work-at-Home Success

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You made it happen! Negotiated with your boss, found a new job, or lined up enough freelance clients to call yourself a teleworker. Now you can crank up the music, put your feet on your desk, and ... oh yeah, get some work done.

Until you settle into a routine, your first days and weeks of teleworking may require some adjustment. You'll be feeling the heady rush of freedom one minute and the 2:30 p.m. sleepies the next. So, let's go over some coping methods.

Ready, Set, What?

If you've got a carefully arranged telework schedule, perhaps built around family care or other activities, great. If not, you'll need to decide when your work day will begin and end.

We recommend starting out traditionally. In other words, get up to your alarm, do some stretches or exercise, and get dressed (no need for a suit or stockings, but wear clothes you wouldn't be ashamed to step outside in). Sit down at your desk at the same time your colleagues do, back at the office. Take breaks, take an hour or so for lunch, and finish your work before dinner. This will help you put in a complete work day without developing bad habits at either extreme, namely working too many hours or slacking off.

Even within that schedule, you'll enjoy many of the benefits of telework. For example, if you've cut out a long commute, you can probably put in an hour of highly productive work before your colleagues have recovered from their road rage. And you can use your breaks to take a walk around the neighborhood rather than a stroll to the vending machine. You might eat lunch on your back patio, or with a friend.

In a few weeks, once you've got a feel for the teleworking life, you'll be able to play with your schedule a bit, subject to what you've arranged with your employer. For example, some people like to put in a few hours of work in the morning, spend the afternoon taking t'ai chi classes, gardening, or running errands with their kids, and then finish their working day after dark.

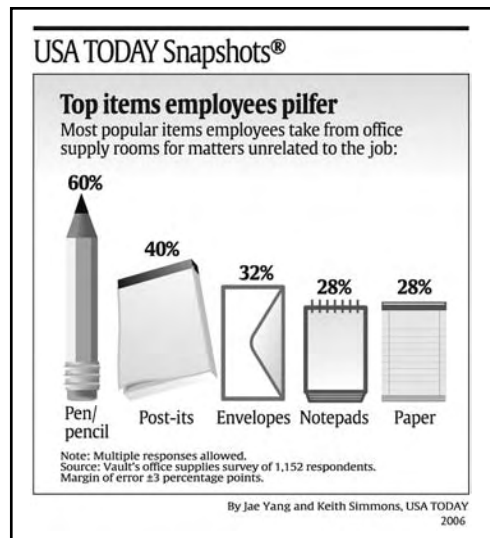
If you do find that you settle into a regular schedule that's different from the one your office colleagues are on, advise them of that schedule—with reassurances and information about how to reach you during regular working hours.

Draw Limits for Friends and Family

If your mom is used to calling and launching into a 20-minute story without drawing a breath, you've now got the perfect excuse to cut it off: "Sorry, but these are my work hours, and my boss expects me not to take any personal calls." In fact, that's a line you'd do well to memorize and use regularly, sometimes even when you don't want to.

To friends and family, your telework may look like no work at all—they just see you, at home, looking comfortable in jeans or sweats. They may expect to receive your usual level of attention. You'll have to be firm and explain (or repeat) your policy; perhaps, "All questions go to the babysitter until five o'clock," or "I can take a short break now, but we'll have to schedule anything longer for this afternoon or evening."

And while you're setting limits, the boss isn't going to be happy if you're suddenly using reams more paper than the average employee, due to your three-year old's newfound talent with crayons. Make sure the office supplies from your employer (pens, paper, Post-its, stapler) are carefully set aside from your family's supplies, and that everyone knows your rules for borrowing them.



Show Your Stuff

Whether or not you negotiated a trial work-at-home period, you are, in some sense, on trial. Sure, your boss may trust you, but the proof of the pudding is in the eating, as Cervantes wrote in *Don Quixote* (probably while he was working at home).

Fortunately, you developed a plan for showing results at the beginning of this process (see Chapter 4). Now you just need to see it through. This will require some extra mindfulness, particularly if you're keeping time sheets or committing to work a certain number of hours per day. If the doorbell rings, you'll have to train yourself to think, "This is my workday so I need to keep this brief," rather than "I hope that's my neighbor with those extra tomato seedlings." Distractions are inevitable—and not evil—but you'll need to remember to keep on schedule.

If you must work a set number of hours but your employer doesn't provide you with time sheets, develop your own. It's often easiest just to keep a pad of paper within reach, and write down the exact time when you start and stop a task and what you're doing. Later, you can transfer these notes to a more readable format.

If you've agreed that your results will be measured in terms of products, such as reports written or customers signed up, then your main goal is obviously to get those done. (And if they have to be delivered in person, plan to get them done a day in advance of the deadline.) You and your boss may have also agreed on another system of sending progress reports.

However, we recommend that in your first weeks of teleworking, you also find informal ways to give interim news of your progress. Some of your most effective personal PR may be a casual phone call to your boss to talk strategy, or a newsy email with an account of a recent client lunch.

Come Out of Your Cave

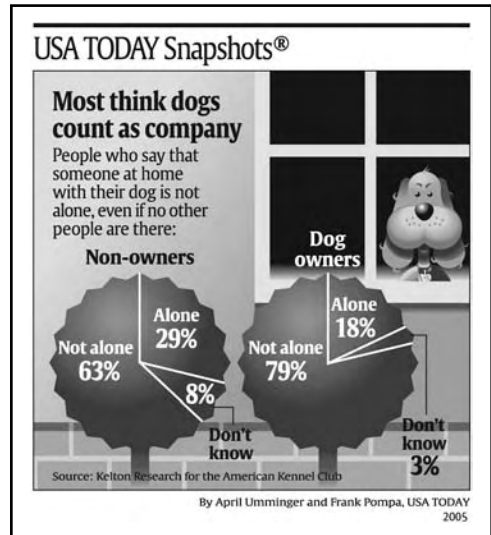
We're not kidding when we say that you wouldn't be the first person to become a little infatuated with the UPS delivery person. (Google "crush on UPS man" and you'll see what we mean.) And for many teleworkers, it's not just that smart brown uniform—it's because the cheerful person at the door is the only human they've seen all day.

If you're falling prey to these or other danger signs (talking to telemarketers, talking to yourself) it may be time for a change of scenery. Your home office was never meant to be a prison.

Working some breaks into your schedule, where you get out and see friends or at least other people, is a good start. If you're saving time on your commute, why not use that to reinvigorate your social life? Cooking dinner for busy friends on a work night is a sure hit.

Changing your work location is also effective. If you've got a laptop, try out local coffee shops, libraries, and anyplace else with an available chair, table, and electrical outlet. At first, you'll be amazed at the number of people wandering around in the middle of the workday. But then you'll realize that a lot of them are teleworkers, too. It's okay to wave hello, just don't expect long conversations—you've both got work to do.

Eventually, however, you might initiate or join a group "teleworker social hour," with a regularly reserved table at your favorite local hang-out-and-work spot. Afternoons tend to be best, when most teleworkers' productivity is starting to flag.



Café Etiquette: Order Once an Hour

As reported by Marco R. della Cava of USA TODAY, a teleworker “touchdown” spot is any place with wireless access that isn’t a home or office. Most folks gravitate toward local or chain eateries, which provide both real and social nourishment. As with any public setting, rules do apply, even if they are largely unspoken:

- **Tip big and eat often.** Think of those hourly lattes or scones as rent for your table, payment of which is crucial for the survival of any business welcoming busy squatters.
- **Take it outside.** Keep cell phones and PDAs on vibrate, and when they do buzz, head straight for the door.
- **Don’t be a hog.** It’s fine to keep your things piled on a table when you step out for a breath of fresh air, but not if you plan to be away a while.
- **Be careful whom you trust.** Because thieves and hackers work fast, take important hardware and documents with you for anything but a quick run to the sugar-and-napkin station.
- **Keep your eyes to yourself.** Resist the temptation to sneak a look at neighboring laptops. With this crowd, it’s considered as egregious as stealing company secrets.
- **Cords get right of way.** All electrical outlets are fair game, so expect to accommodate the odd power cord as it snakes past your dominion.
- **Look for the high sign.** Even though mere inches can separate you from a fellow teleworker, realize that only when both parties issue a mutual greeting is it okay to invade those invisible offices.
- **Come loaded for meters.** Nothing drives veteran virtual office workers crazier than being asked for quarters to keep the parking police at bay, so bring your own stash. And if you want to make friends fast, bring a few extra quarters to help out a newbie.



“Computers, quiche and quiet; 30-million-strong army of workers plugs away, away from the office,” by Marco R. della Cava, October 5, 2006.

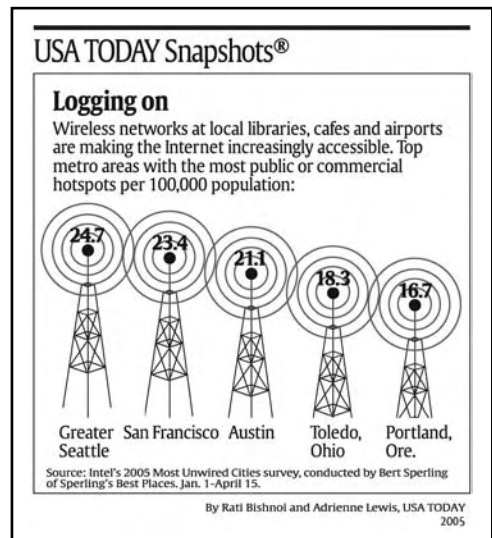
Keep Yourself in the Loop

When you're in a traditional office, who are you most likely to ask a question of or share a joke with—the person sitting at the desk nearby or the one working at home? Most people turn to live humans first (unless they send out a mass email). The result is that you, in your new teleworking role, may find yourself feeling a bit left out. Sometimes you may actually miss out on important information, like who's going to announce their resignation in a few weeks or a new, exciting project that's about to start.

Don't blame the folks at your office. Some of them will always feel like they're intruding by calling you at home, no matter how many times you tell them that it's fine. Create your own connections by scheduling lunches, picking up the phone yourself once in a while instead of emailing, and attending office social events or retreats.

If, despite your efforts, you feel like you're truly being forgotten, raise the issue with your supervisor. Don't complain—after all, working at home was your idea. Do explain that your goal is to remain actively involved in company culture, and ask whether the two of you can brainstorm ways to make that happen. Then gently point to efforts made by other companies—like IBM which, with nearly half of its employees working off-site, has launched regional “IBM clubs,” created mentoring programs, and retooled its management strategies to account for the changed relationship between workers.

Also, don't let yourself fall behind professionally. Look for professional development opportunities and stay connected in your field. Join a local



chapter of your professional association, attend meetings and seminars in your practice area, take continuing education courses, show up at the office for training seminars. Be proactive about remaining active and visible within your profession and at your workplace.

Don't Hit "Send" When You're Mad

You'll be doing a lot of communicating by email—which is both convenient and dangerous. No longer can you rush down the hall to undo the damage or check the look on your e-correspondent's face.

One thing everyone wants, but no one has invented, is an email "panic button," a short delay after hitting send, like the kind TV networks use to bleep obscenities.

—DAVID SHIPLEY AND WILL SCHWALBE, authors of *Send: The Essential Guide to Email for Office and Home*, quoted in "Check your e-mail—before you hit send," by Bob Minzesheimer USA TODAY, April 10, 2007.

Read every email you write at least twice, with a half hour in between if the subject is even remotely touchy.

And if you receive an email that sounds brusque or offensive, don't assume the worst. Plenty of people haven't yet mastered the art of email diplomacy. Instead of writing back in the same tone, pick up the phone and call, or arrange a meeting for the next time you're going to be in the office.

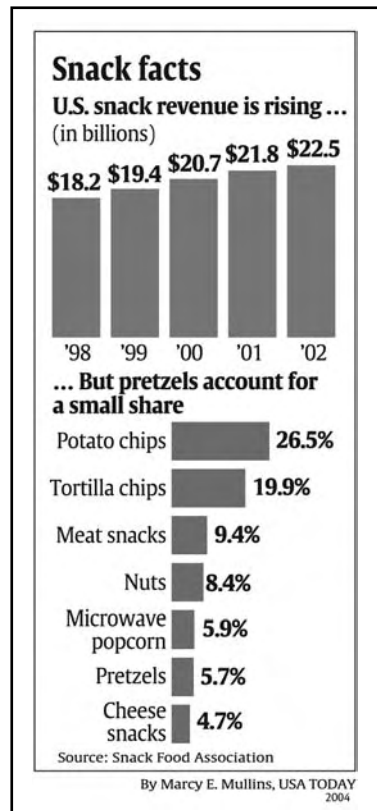
Check in With Yourself

After you've been telecommuting a few weeks or a few months, take stock. Is it turning out as you'd hoped, or have you just replaced one set of work concerns with another? Have you gotten into any ruts? You wouldn't be the first telecommuter to become either an extreme overworker, addicted to the computer and the BlackBerry day, night, and weekend; or an underworker, unable to focus and complete projects.

If reducing stress and improving your health were among your hopes for teleworking, what kind of progress are you making? If you're not getting out of the house to exercise—or even getting out of your chair except to raid the fridge—you're probably feeling disappointed and sluggish.

Don't beat yourself up about these issues—just take concrete steps to do something about them. If you started out with a full-time telework arrangement, maybe going back to the office for one or two days a week would help. If you're working too hard, scheduling yourself for some walks, classes, or events with friends might force you to change your pace. If you're getting too little done, try to figure out what the main distractions are, and eliminate them. Or try changing your location, perhaps by working at the library or a coffee shop (it's sort of embarrassing to do nothing with other people looking).

Keep doing these self-checks regularly, over the months and years. You may, for example, realize that while your teleworking routine has gotten comfy for you, your office-based peers have received raises and promotions that you haven't. Maybe that's okay, but it should at least prompt you to reevaluate your efforts at keeping up connections with your company's management. And keep on top of your own professional development. Seek out opportunities to keep up with what's happening in your field and to keep your name and face out there. For example, attend seminars, join professional organizations, or write a column for a local paper.



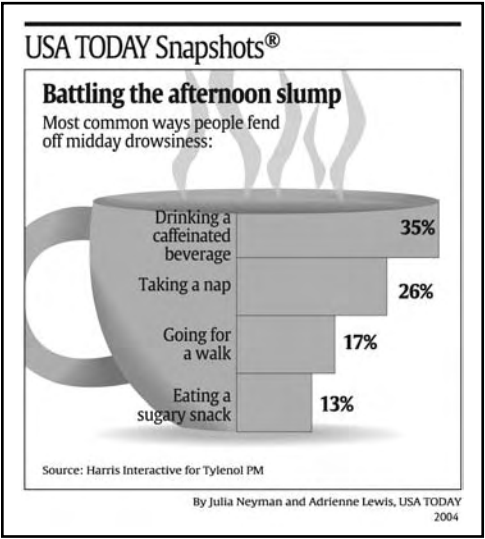
If all else fails, there's no shame in deciding that telework isn't for you. Your boss will probably be happy to have you back.

Check in With Your Manager and Coworkers

You may feel that your work-at-home arrangement is working just fine, but what about your manager and coworkers? You'll need their support

to make a successful transition to teleworking.

Poll them early and often to find out what they think about the arrangement. Can they reach you easily? Are your communications clear? Are you keeping up with your work? You don't want to be surprised by negative feedback at the end of your trial period (or at your annual review). And you won't be able to work on problem areas if you don't know what they are.



Explore the Possibilities

Once you've proven to yourself and others that you can be a successful, productive teleworker, a world of options opens up to you. We're not recommending destroying the routine you've so carefully developed, but you may want to shake things up once in a while.

Working at home doesn't mean you have to be at home. What about a month or two at a beach house, or traveling abroad? Teleworkers have been spotted everywhere from a bar in Prague to a cabin in Alaska.

How about a new use for the hours you're saving? Those midday hours can be great for getting outdoors, volunteering, or taking classes at a nearby college. And you can make up the time in the evening, while others are collapsed in front of the TV.

While you're at home, you could become the next domestic god or goddess, roasting a chicken while you work. Or you could become a part-time entrepreneur, walking neighbor's dogs for cash or tutoring their kids after school. It's all up to your imagination.

Best Places to Live in the USA

Now that you can work from anywhere, check out the top-ten list of U.S. cities from the 2007 edition of *Cities Ranked & Rated* (Wiley), by Bert Sperling and Peter Sander. As USA TODAY reporter Bob Minzesheimer observed, Sperling and Sander give high marks to several satellite cities attracting telecommuters, including Bellingham, Washington (No. 2), and Colorado Springs (No. 4).

1. Gainesville, Florida
2. Bellingham, Washington
3. Portland, Oregon; Vancouver, Washington; Beaverton, Oregon
4. Colorado Springs, Colorado
5. Ann Arbor, Michigan
6. Ogden-Clearfield, Utah
7. Asheville, North Carolina
8. Fort Collins-Loveland, Colorado
9. San Luis Obispo-Paso Robles, California
10. Boise City-Nampa, Idaho



"Gainesville graduates to best city; 'Satellite' towns rise to the top for livability, while cost and crime sink others' scores," Bob Minzesheimer, May 8, 2007.

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